

106TH CONGRESS
1ST SESSION

H. R. 3443

To amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 18, 1999

Mrs. JOHNSON of Connecticut (for herself and Mr. CARDIN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

NOVEMBER 18, 1999

The Committees on Ways and Means and Commerce discharged; considered and passed

A BILL

To amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Foster Care Independence Act of 1999”.

4 (b) TABLE OF CONTENTS.—The table of contents of
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—IMPROVED INDEPENDENT LIVING PROGRAM

Subtitle A—Improved Independent Living Program

Sec. 101. Improved independent living program.

Subtitle B—Related Foster Care Provision

Sec. 111. Increase in amount of assets allowable for children in foster care.

Sec. 112. Preparation of foster parents to provide for the needs of children in State care.

Subtitle C—Medicaid Amendments

Sec. 121. State option of Medicaid coverage for adolescents leaving foster care.

Subtitle D—Adoption Incentive Payments

Sec. 131. Increased funding for adoption incentive payments.

TITLE II—SSI FRAUD PREVENTION

Subtitle A—Fraud Prevention and Related Provisions

Sec. 201. Liability of representative payees for overpayments to deceased recipients.

Sec. 202. Recovery of overpayments of SSI benefits from lump sum SSI benefit payments.

Sec. 203. Additional debt collection practices.

Sec. 204. Requirement to provide State prisoner information to Federal and federally assisted benefit programs.

Sec. 205. Treatment of assets held in trust under the SSI program.

Sec. 206. Disposal of resources for less than fair market value under the SSI program.

Sec. 207. Administrative procedure for imposing penalties for false or misleading statements.

Sec. 208. Exclusion of representatives and health care providers convicted of violations from participation in social security programs.

Sec. 209. State data exchanges.

Sec. 210. Study on possible measures to improve fraud prevention and administrative processing.

Sec. 211. Annual report on amounts necessary to combat fraud.

Sec. 212. Computer matches with Medicare and Medicaid institutionalization data.

Sec. 213. Access to information held by financial institutions.

Subtitle B—Benefits For Certain World War II Veterans

Sec. 251. Establishment of program of special benefits for certain World War II veterans.

Subtitle C—Study

Sec. 261. Study of denial of SSI benefits for family farmers.

TITLE III—CHILD SUPPORT

Sec. 301. Narrowing of hold harmless provision for State share of distribution of collected child support.

TITLE IV—TECHNICAL CORRECTIONS

Sec. 401. Technical corrections relating to amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

1 **TITLE I—IMPROVED INDE-**
 2 **PENDENT LIVING PROGRAM**
 3 **Subtitle A—Improved Independent**
 4 **Living Program**

5 **SEC. 101. IMPROVED INDEPENDENT LIVING PROGRAM.**

6 (a) FINDINGS.—The Congress finds the following:

7 (1) States are required to make reasonable ef-
 8 forts to find adoptive families for all children, in-
 9 cluding older children, for whom reunification with
 10 their biological family is not in the best interests of
 11 the child. However, some older children will continue
 12 to live in foster care. These children should be en-
 13 rolled in an Independent Living program designed
 14 and conducted by State and local government to help
 15 prepare them for employment, postsecondary edu-
 16 cation, and successful management of adult respon-
 17 sibilities.

1 (2) Older children who continue to be in foster
2 care as adolescents may become eligible for Inde-
3 pendent Living programs. These Independent Living
4 programs are not an alternative to adoption for
5 these children. Enrollment in Independent Living
6 programs can occur concurrent with continued ef-
7 forts to locate and achieve placement in adoptive
8 families for older children in foster care.

9 (3) About 20,000 adolescents leave the Nation's
10 foster care system each year because they have
11 reached 18 years of age and are expected to support
12 themselves.

13 (4) Congress has received extensive information
14 that adolescents leaving foster care have significant
15 difficulty making a successful transition to adult-
16 hood; this information shows that children aging out
17 of foster care show high rates of homelessness, non-
18 marital childbearing, poverty, and delinquent or
19 criminal behavior; they are also frequently the target
20 of crime and physical assaults.

21 (5) The Nation's State and local governments,
22 with financial support from the Federal Government,
23 should offer an extensive program of education,
24 training, employment, and financial support for
25 young adults leaving foster care, with participation

1 in such program beginning several years before high
2 school graduation and continuing, as needed, until
3 the young adults emancipated from foster care es-
4 tablish independence or reach 21 years of age.

5 (b) IMPROVED INDEPENDENT LIVING PROGRAM.—
6 Section 477 of the Social Security Act (42 U.S.C. 677)
7 is amended to read as follows:

8 **“SEC. 477. JOHN H. CHAFEE FOSTER CARE INDEPENDENCE**
9 **PROGRAM.**

10 “(a) PURPOSE.—The purpose of this section is to
11 provide States with flexible funding that will enable pro-
12 grams to be designed and conducted—

13 “(1) to identify children who are likely to re-
14 main in foster care until 18 years of age and to help
15 these children make the transition to self-sufficiency
16 by providing services such as assistance in obtaining
17 a high school diploma, career exploration, vocational
18 training, job placement and retention, training in
19 daily living skills, training in budgeting and financial
20 management skills, substance abuse prevention, and
21 preventive health activities (including smoking avoid-
22 ance, nutrition education, and pregnancy preven-
23 tion);

24 “(2) to help children who are likely to remain
25 in foster care until 18 years of age receive the edu-

1 cation, training, and services necessary to obtain em-
2 ployment;

3 “(3) to help children who are likely to remain
4 in foster care until 18 years of age prepare for and
5 enter postsecondary training and education institu-
6 tions;

7 “(4) to provide personal and emotional support
8 to children aging out of foster care, through mentors
9 and the promotion of interactions with dedicated
10 adults; and

11 “(5) to provide financial, housing, counseling,
12 employment, education, and other appropriate sup-
13 port and services to former foster care recipients be-
14 tween 18 and 21 years of age to complement their
15 own efforts to achieve self-sufficiency and to assure
16 that program participants recognize and accept their
17 personal responsibility for preparing for and then
18 making the transition from adolescence to adult-
19 hood.

20 “(b) APPLICATIONS.—

21 “(1) IN GENERAL.—A State may apply for
22 funds from its allotment under subsection (c) for a
23 period of five consecutive fiscal years by submitting
24 to the Secretary, in writing, a plan that meets the

1 requirements of paragraph (2) and the certifications
2 required by paragraph (3) with respect to the plan.

3 “(2) STATE PLAN.—A plan meets the require-
4 ments of this paragraph if the plan specifies which
5 State agency or agencies will administer, supervise,
6 or oversee the programs carried out under the plan,
7 and describes how the State intends to do the fol-
8 lowing:

9 “(A) Design and deliver programs to
10 achieve the purposes of this section.

11 “(B) Ensure that all political subdivisions
12 in the State are served by the program, though
13 not necessarily in a uniform manner.

14 “(C) Ensure that the programs serve chil-
15 dren of various ages and at various stages of
16 achieving independence.

17 “(D) Involve the public and private sectors
18 in helping adolescents in foster care achieve
19 independence.

20 “(E) Use objective criteria for determining
21 eligibility for benefits and services under the
22 programs, and for ensuring fair and equitable
23 treatment of benefit recipients.

1 “(F) Cooperate in national evaluations of
2 the effects of the programs in achieving the
3 purposes of this section.

4 “(3) CERTIFICATIONS.—The certifications re-
5 quired by this paragraph with respect to a plan are
6 the following:

7 “(A) A certification by the chief executive
8 officer of the State that the State will provide
9 assistance and services to children who have left
10 foster care because they have attained 18 years
11 of age, and who have not attained 21 years of
12 age.

13 “(B) A certification by the chief executive
14 officer of the State that not more than 30 per-
15 cent of the amounts paid to the State from its
16 allotment under subsection (c) for a fiscal year
17 will be expended for room or board for children
18 who have left foster care because they have at-
19 tained 18 years of age, and who have not at-
20 tained 21 years of age.

21 “(C) A certification by the chief executive
22 officer of the State that none of the amounts
23 paid to the State from its allotment under sub-
24 section (c) will be expended for room or board

1 for any child who has not attained 18 years of
2 age.

3 “(D) A certification by the chief executive
4 officer of the State that the State will use train-
5 ing funds provided under the program of Fed-
6 eral payments for foster care and adoption as-
7 sistance to provide training to help foster par-
8 ents, adoptive parents, workers in group homes,
9 and case managers understand and address the
10 issues confronting adolescents preparing for
11 independent living, and will, to the extent pos-
12 sible, coordinate such training with the inde-
13 pendent living program conducted for adoles-
14 cents.

15 “(E) A certification by the chief executive
16 officer of the State that the State has consulted
17 widely with public and private organizations in
18 developing the plan and that the State has
19 given all interested members of the public at
20 least 30 days to submit comments on the plan.

21 “(F) A certification by the chief executive
22 officer of the State that the State will make
23 every effort to coordinate the State programs
24 receiving funds provided from an allotment
25 made to the State under subsection (c) with

1 other Federal and State programs for youth
2 (especially transitional living youth projects
3 funded under part B of title III of the Juvenile
4 Justice and Delinquency Prevention Act of
5 1974), abstinence education programs, local
6 housing programs, programs for disabled youth
7 (especially sheltered workshops), and school-to-
8 work programs offered by high schools or local
9 workforce agencies.

10 “(G) A certification by the chief executive
11 officer of the State that each Indian tribe in the
12 State has been consulted about the programs to
13 be carried out under the plan; that there have
14 been efforts to coordinate the programs with
15 such tribes; and that benefits and services
16 under the programs will be made available to
17 Indian children in the State on the same basis
18 as to other children in the State.

19 “(H) A certification by the chief executive
20 officer of the State that the State will ensure
21 that adolescents participating in the program
22 under this section participate directly in design-
23 ing their own program activities that prepare
24 them for independent living and that the ado-

1 lescents accept personal responsibility for living
2 up to their part of the program.

3 “(I) A certification by the chief executive
4 officer of the State that the State has estab-
5 lished and will enforce standards and proce-
6 dures to prevent fraud and abuse in the pro-
7 grams carried out under the plan.

8 “(4) APPROVAL.—The Secretary shall approve
9 an application submitted by a State pursuant to
10 paragraph (1) for a period if—

11 “(A) the application is submitted on or be-
12 fore June 30 of the calendar year in which such
13 period begins; and

14 “(B) the Secretary finds that the applica-
15 tion contains the material required by para-
16 graph (1).

17 “(5) AUTHORITY TO IMPLEMENT CERTAIN
18 AMENDMENTS; NOTIFICATION.—A State with an ap-
19 plication approved under paragraph (4) may imple-
20 ment any amendment to the plan contained in the
21 application if the application, incorporating the
22 amendment, would be approvable under paragraph
23 (4). Within 30 days after a State implements any
24 such amendment, the State shall notify the Sec-
25 retary of the amendment.

1 “(6) AVAILABILITY.—The State shall make
2 available to the public any application submitted by
3 the State pursuant to paragraph (1), and a brief
4 summary of the plan contained in the application.

5 “(c) ALLOTMENTS TO STATES.—

6 “(1) IN GENERAL.—From the amount specified
7 in subsection (h) that remains after applying sub-
8 section (g)(2) for a fiscal year, the Secretary shall
9 allot to each State with an application approved
10 under subsection (b) for the fiscal year the amount
11 which bears the same ratio to such remaining
12 amount as the number of children in foster care
13 under a program of the State in the most recent fis-
14 cal year for which such information is available
15 bears to the total number of children in foster care
16 in all States for such most recent fiscal year, as ad-
17 justed in accordance with paragraph (2).

18 “(2) HOLD HARMLESS PROVISION.—

19 “(A) IN GENERAL.—The Secretary shall
20 allot to each State whose allotment for a fiscal
21 year under paragraph (1) is less than the great-
22 er of \$500,000 or the amount payable to the
23 State under this section for fiscal year 1998, an
24 additional amount equal to the difference be-
25 tween such allotment and such greater amount.

1 “(B) RATABLE REDUCTION OF CERTAIN
 2 ALLOTMENTS.—In the case of a State not de-
 3 scribed in subparagraph (A) of this paragraph
 4 for a fiscal year, the Secretary shall reduce the
 5 amount allotted to the State for the fiscal year
 6 under paragraph (1) by the amount that bears
 7 the same ratio to the sum of the differences de-
 8 termined under subparagraph (A) of this para-
 9 graph for the fiscal year as the excess of the
 10 amount so allotted over the greater of \$500,000
 11 or the amount payable to the State under this
 12 section for fiscal year 1998 bears to the sum of
 13 such excess amounts determined for all such
 14 States.

15 “(d) USE OF FUNDS.—

16 “(1) IN GENERAL.—A State to which an
 17 amount is paid from its allotment under subsection
 18 (c) may use the amount in any manner that is rea-
 19 sonably calculated to accomplish the purposes of this
 20 section.

21 “(2) NO SUPPLANTATION OF OTHER FUNDS
 22 AVAILABLE FOR SAME GENERAL PURPOSES.—The
 23 amounts paid to a State from its allotment under
 24 subsection (c) shall be used to supplement and not

1 supplant any other funds which are available for the
2 same general purposes in the State.

3 “(3) TWO-YEAR AVAILABILITY OF FUNDS.—
4 Payments made to a State under this section for a
5 fiscal year shall be expended by the State in the fis-
6 cal year or in the succeeding fiscal year.

7 “(e) PENALTIES.—

8 “(1) USE OF GRANT IN VIOLATION OF THIS
9 PART.—If the Secretary is made aware, by an audit
10 conducted under chapter 75 of title 31, United
11 States Code, or by any other means, that a program
12 receiving funds from an allotment made to a State
13 under subsection (c) has been operated in a manner
14 that is inconsistent with, or not disclosed in the
15 State application approved under subsection (b), the
16 Secretary shall assess a penalty against the State in
17 an amount equal to not less than 1 percent and not
18 more than 5 percent of the amount of the allotment.

19 “(2) FAILURE TO COMPLY WITH DATA REPORT-
20 ING REQUIREMENT.—The Secretary shall assess a
21 penalty against a State that fails during a fiscal
22 year to comply with an information collection plan
23 implemented under subsection (f) in an amount
24 equal to not less than 1 percent and not more than

1 5 percent of the amount allotted to the State for the
2 fiscal year.

3 “(3) PENALTIES BASED ON DEGREE OF NON-
4 COMPLIANCE.—The Secretary shall assess penalties
5 under this subsection based on the degree of non-
6 compliance.

7 “(f) DATA COLLECTION AND PERFORMANCE MEAS-
8 UREMENT.—

9 “(1) IN GENERAL.—The Secretary, in consulta-
10 tion with State and local public officials responsible
11 for administering independent living and other child
12 welfare programs, child welfare advocates, members
13 of Congress, youth service providers, and research-
14 ers, shall—

15 “(A) develop outcome measures (including
16 measures of educational attainment, high school
17 diploma, employment, avoidance of dependency,
18 homelessness, nonmarital childbirth, incarceration,
19 and high-risk behaviors) that can be used
20 to assess the performance of States in operating
21 independent living programs;

22 “(B) identify data elements needed to
23 track—

1 “(i) the number and characteristics of
2 children receiving services under this sec-
3 tion;

4 “(ii) the type and quantity of services
5 being provided; and

6 “(iii) State performance on the out-
7 come measures; and

8 “(C) develop and implement a plan to col-
9 lect the needed information beginning with the
10 second fiscal year beginning after the date of
11 the enactment of this section.

12 “(2) REPORT TO THE CONGRESS.—Within 12
13 months after the date of the enactment of this sec-
14 tion, the Secretary shall submit to the Committee on
15 Ways and Means of the House of Representatives
16 and the Committee on Finance of the Senate a re-
17 port detailing the plans and timetable for collecting
18 from the States the information described in para-
19 graph (1) and a proposal to impose penalties con-
20 sistent with paragraph (e)(2) on States that do not
21 report data.

22 “(g) EVALUATIONS.—

23 “(1) IN GENERAL.—The Secretary shall con-
24 duct evaluations of such State programs funded
25 under this section as the Secretary deems to be in-

1 novative or of potential national significance. The
2 evaluation of any such program shall include infor-
3 mation on the effects of the program on education,
4 employment, and personal development. To the max-
5 imum extent practicable, the evaluations shall be
6 based on rigorous scientific standards including ran-
7 dom assignment to treatment and control groups.
8 The Secretary is encouraged to work directly with
9 State and local governments to design methods for
10 conducting the evaluations, directly or by grant, con-
11 tract, or cooperative agreement.

12 “(2) FUNDING OF EVALUATIONS.—The Sec-
13 retary shall reserve 1.5 percent of the amount speci-
14 fied in subsection (h) for a fiscal year to carry out,
15 during the fiscal year, evaluation, technical assist-
16 ance, performance measurement, and data collection
17 activities related to this section, directly or through
18 grants, contracts, or cooperative agreements with
19 appropriate entities.

20 “(h) LIMITATIONS ON AUTHORIZATION OF APPRO-
21 PRIATIONS.—To carry out this section and for payments
22 to States under section 474(a)(4), there are authorized to
23 be appropriated to the Secretary \$140,000,000 for each
24 fiscal year.”.

1 (c) PAYMENTS TO STATES.—Section 474(a)(4) of
2 such Act (42 U.S.C. 674(a)(4)) is amended to read as fol-
3 lows:

4 “(4) the lesser of—

5 “(A) 80 percent of the amount (if any) by
6 which—

7 “(i) the total amount expended by the
8 State during the fiscal year in which the
9 quarter occurs to carry out programs in
10 accordance with the State application ap-
11 proved under section 477(b) for the period
12 in which the quarter occurs (including any
13 amendment that meets the requirements of
14 section 477(b)(5)); exceeds

15 “(ii) the total amount of any penalties
16 assessed against the State under section
17 477(e) during the fiscal year in which the
18 quarter occurs; or

19 “(B) the amount allotted to the State
20 under section 477 for the fiscal year in which
21 the quarter occurs, reduced by the total of the
22 amounts payable to the State under this para-
23 graph for all prior quarters in the fiscal year.”.

24 (d) REGULATIONS.—Not later than 12 months after
25 the date of the enactment of this Act, the Secretary of

1 Health and Human Services shall issue such regulations
 2 as may be necessary to carry out the amendments made
 3 by this section.

4 (e) SENSE OF THE CONGRESS.—It is the sense of the
 5 Congress that States should provide medical assistance
 6 under the State plan approved under title XIX of the So-
 7 cial Security Act to 18-, 19-, and 20-year-olds who have
 8 been emancipated from foster care.

9 **Subtitle B—Related Foster Care** 10 **Provision**

11 **SEC. 111. INCREASE IN AMOUNT OF ASSETS ALLOWABLE** 12 **FOR CHILDREN IN FOSTER CARE.**

13 Section 472(a) of the Social Security Act (42 U.S.C.
 14 672(a)) is amended by adding at the end the following:
 15 “In determining whether a child would have received aid
 16 under a State plan approved under section 402 (as in ef-
 17 fect on July 16, 1996), a child whose resources (deter-
 18 mined pursuant to section 402(a)(7)(B), as so in effect)
 19 have a combined value of not more than \$10,000 shall
 20 be considered to be a child whose resources have a com-
 21 bined value of not more than \$1,000 (or such lower
 22 amount as the State may determine for purposes of such
 23 section 402(a)(7)(B)).”.

1 **SEC. 112. PREPARATION OF FOSTER PARENTS TO PROVIDE**
 2 **FOR THE NEEDS OF CHILDREN IN STATE**
 3 **CARE.**

4 (a) STATE PLAN REQUIREMENT.—Section 471(a) of
 5 the Social Security Act (42 U.S.C. 671(a)) is amended—

6 (1) by striking “and” at the end of paragraph
 7 (22);

8 (2) by striking the period at the end of para-
 9 graph (23) and inserting “; and”; and

10 (3) by adding at the end the following:

11 “(24) include a certification that, before a child
 12 in foster care under the responsibility of the State
 13 is placed with prospective foster parents, the pro-
 14 spective foster parents will be prepared adequately
 15 with the appropriate knowledge and skills to provide
 16 for the needs of the child, and that such preparation
 17 will be continued, as necessary, after the placement
 18 of the child.”.

19 (b) EFFECTIVE DATE.—The amendments made by
 20 subsection (a) shall take effect on October 1, 1999.

21 **Subtitle C—Medicaid Amendments**

22 **SEC. 121. STATE OPTION OF MEDICAID COVERAGE FOR**
 23 **ADOLESCENTS LEAVING FOSTER CARE.**

24 (a) IN GENERAL.—Subject to subsection (c), title
 25 XIX of the Social Security Act is amended—

1 (1) in section 1902(a)(10)(A)(ii) (42 U.S.C.
2 1396a(a)(10)(A)(ii))—

3 (A) by striking “or” at the end of sub-
4 clause (XIII);

5 (B) by adding “or” at the end of subclause
6 (XIV); and

7 (C) by adding at the end the following new
8 subclause:

9 “(XV) who are independent fos-
10 ter care adolescents (as defined in
11 (section 1905(v)(1)), or who are with-
12 in any reasonable categories of such
13 adolescents specified by the State;”;
14 and

15 (2) by adding at the end of section 1905 (42
16 U.S.C. 1396d) the following new subsection:

17 “(v)(1) For purposes of this title, the term ‘inde-
18 pendent foster care adolescent’ means an individual—

19 “(A) who is under 21 years of age;

20 “(B) who, on the individual’s 18th birthday,
21 was in foster care under the responsibility of a
22 State; and

23 “(C) whose assets, resources, and income do
24 not exceed such levels (if any) as the State may es-
25 tablish consistent with paragraph (2).

1 “(2) The levels established by a State under para-
2 graph (1)(C) may not be less than the corresponding levels
3 applied by the State under section 1931(b).

4 “(3) A State may limit the eligibility of independent
5 foster care adolescents under section
6 1902(a)(10)(A)(ii)(XV) to those individuals with respect
7 to whom foster care maintenance payments or inde-
8 pendent living services were furnished under a program
9 funded under part E of title IV before the date the individ-
10 uals attained 18 years of age.”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 subsection (a) apply to medical assistance for items and
13 services furnished on or after October 1, 1999.

14 (c) CONTINGENCY IN ENACTMENT.—If the Ticket to
15 Work and Work Incentives Improvement Act of 1999 is
16 enacted (whether before, on, or after the date of the enact-
17 ment of this Act)—

18 (1) the amendments made by that Act shall be
19 executed as if this Act had been enacted after the
20 enactment of such other Act;

21 (2) with respect to subsection (a)(1)(A) of this
22 section, any reference to subclause (XIII) is deemed
23 a reference to subclause (XV);

1 (3) with respect to subsection (a)(1)(B) of this
 2 section, any reference to subclause (XIV) is deemed
 3 a reference to subclause (XVI);

4 (4) the subclause (XV) added by subsection
 5 (a)(1)(C) of this section—

6 (A) is redesignated as subclause (XVII);

7 and

8 (B) is amended by striking “section
 9 1905(v)(1)” and inserting “section
 10 1905(w)(1)”; and

11 (5) the subsection (v) added by subsection
 12 (a)(2) of this section—

13 (A) is redesignated as subsection (w); and

14 (B) is amended by striking
 15 “1902(a)(10)(A)(ii)(XV)” and inserting
 16 “1902(a)(10)(A)(ii)(XVII)”.

17 **Subtitle D—Adoption Incentive** 18 **Payments**

19 **SEC. 131. INCREASED FUNDING FOR ADOPTION INCENTIVE** 20 **PAYMENTS.**

21 (a) SUPPLEMENTAL GRANTS.—Section 473A of the
 22 Social Security Act (42 U.S.C. 673b) is amended by add-
 23 ing at the end the following:

24 “(j) SUPPLEMENTAL GRANTS.—

1 “(1) IN GENERAL.—Subject to the availability
2 of such amounts as may be provided in advance in
3 appropriations Acts, in addition to any amount oth-
4 erwise payable under this section to any State that
5 is an incentive-eligible State for fiscal year 1998, the
6 Secretary shall make a grant to the State in an
7 amount equal to the lesser of—

8 “(A) the amount by which—

9 “(i) the amount that would have been
10 payable to the State under this section
11 during fiscal year 1999 (on the basis of
12 adoptions in fiscal year 1998) in the ab-
13 sence of subsection (d)(2) if sufficient
14 funds had been available for the payment;
15 exceeds

16 “(ii) the amount that, before the en-
17 actment of this subsection, was payable to
18 the State under this section during fiscal
19 year 1999 (on such basis); or

20 “(B) the amount that bears the same ratio
21 to the dollar amount specified in paragraph (2)
22 as the amount described by subparagraph (A)
23 for the State bears to the aggregate of the
24 amounts described by subparagraph (A) for all

1 States that are incentive-eligible States for fis-
 2 cal year 1998.

3 “(2) FUNDING.—\$23,000,000 of the amounts
 4 appropriated under subsection (h)(1) for fiscal year
 5 2000 may be used for grants under paragraph (1)
 6 of this subsection.”.

7 (b) LIMITATION ON AUTHORIZATION OF APPROPRIA-
 8 TIONS.—Section 473A(h)(1) of the Social Security Act
 9 (42 U.S.C. 673b(h)(1)) is amended to read as follows:

10 “(1) IN GENERAL.—For grants under sub-
 11 section (a), there are authorized to be appropriated
 12 to the Secretary—

13 “(A) \$20,000,000 for fiscal year 1999;

14 “(B) \$43,000,000 for fiscal year 2000; and

15 “(C) \$20,000,000 for each of fiscal years
 16 2001 through 2003.”.

17 **TITLE II—SSI FRAUD** 18 **PREVENTION**

19 **Subtitle A—Fraud Prevention and** 20 **Related Provisions**

21 **SEC. 201. LIABILITY OF REPRESENTATIVE PAYEES FOR** 22 **OVERPAYMENTS TO DECEASED RECIPIENTS.**

23 (a) AMENDMENT TO TITLE II.—Section 204(a)(2) of
 24 the Social Security Act (42 U.S.C. 404(a)(2)) is amended
 25 by adding at the end the following new sentence: “If any

1 payment of more than the correct amount is made to a
 2 representative payee on behalf of an individual after the
 3 individual's death, the representative payee shall be liable
 4 for the repayment of the overpayment, and the Commis-
 5 sioner of Social Security shall establish an overpayment
 6 control record under the social security account number
 7 of the representative payee.”.

8 (b) AMENDMENT TO TITLE XVI.—Section
 9 1631(b)(2) of such Act (42 U.S.C. 1383(b)(2)) is amend-
 10 ed by adding at the end the following new sentence: “If
 11 any payment of more than the correct amount is made
 12 to a representative payee on behalf of an individual after
 13 the individual's death, the representative payee shall be
 14 liable for the repayment of the overpayment, and the Com-
 15 missioner of Social Security shall establish an overpay-
 16 ment control record under the social security account
 17 number of the representative payee.”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to overpayments made 12 months
 20 or more after the date of the enactment of this Act.

21 **SEC. 202. RECOVERY OF OVERPAYMENTS OF SSI BENEFITS**
 22 **FROM LUMP SUM SSI BENEFIT PAYMENTS.**

23 (a) IN GENERAL.—Section 1631(b)(1)(B)(ii) of the
 24 Social Security Act (42 U.S.C. 1383(b)(1)(B)(ii)) is
 25 amended—

1 (1) by inserting “monthly” before “benefit pay-
2 ments”; and

3 (2) by inserting “and in the case of an indi-
4 vidual or eligible spouse to whom a lump sum is pay-
5 able under this title (including under section
6 1616(a) of this Act or under an agreement entered
7 into under section 212(a) of Public Law 93–66)
8 shall, as at least one means of recovering such over-
9 payment, make the adjustment or recovery from the
10 lump sum payment in an amount equal to not less
11 than the lesser of the amount of the overpayment or
12 50 percent of the lump sum payment,” before “un-
13 less fraud”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 this section shall take effect 12 months after the date of
16 the enactment of this Act and shall apply to amounts in-
17 correctly paid which remain outstanding on or after such
18 date.

19 **SEC. 203. ADDITIONAL DEBT COLLECTION PRACTICES.**

20 (a) **IN GENERAL.**—Section 1631(b) of the Social Se-
21 curity Act (42 U.S.C. 1383(b)) is amended—

22 (1) by redesignating paragraphs (4) and (5) as
23 paragraphs (5) and (6), respectively; and

24 (2) by inserting after paragraph (3) the fol-
25 lowing:

1 “(4)(A) With respect to any delinquent amount, the
2 Commissioner of Social Security may use the collection
3 practices described in sections 3711(f), 3716, 3717, and
4 3718 of title 31, United States Code, and in section 5514
5 of title 5, United States Code, all as in effect immediately
6 after the enactment of the Debt Collection Improvement
7 Act of 1996.

8 “(B) For purposes of subparagraph (A), the term
9 ‘delinquent amount’ means an amount—

10 “(i) in excess of the correct amount of payment
11 under this title;

12 “(ii) paid to a person after such person has at-
13 tained 18 years of age; and

14 “(iii) determined by the Commissioner of Social
15 Security, under regulations, to be otherwise unre-
16 coverable under this section after such person ceases
17 to be a beneficiary under this title.”.

18 (b) CONFORMING AMENDMENTS.—Section
19 3701(d)(2) of title 31, United States Code, is amended
20 by striking “section 204(f)” and inserting “sections 204(f)
21 and 1631(b)(4)”.

22 (c) TECHNICAL AMENDMENTS.—Section 204(f) of
23 the Social Security Act (42 U.S.C. 404(f)) is amended—

24 (1) by striking “3711(e)” and inserting
25 “3711(f)”; and

1 (2) by inserting “all” before “as in effect”.

2 (d) EFFECTIVE DATE.—The amendments made by
3 this section shall apply to debt outstanding on or after
4 the date of the enactment of this Act.

5 **SEC. 204. REQUIREMENT TO PROVIDE STATE PRISONER IN-**
6 **FORMATION TO FEDERAL AND FEDERALLY**
7 **ASSISTED BENEFIT PROGRAMS.**

8 Section 1611(e)(1)(I)(ii)(II) of the Social Security
9 Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)) is amended by strik-
10 ing “is authorized to” and inserting “shall”.

11 **SEC. 205. TREATMENT OF ASSETS HELD IN TRUST UNDER**
12 **THE SSI PROGRAM.**

13 (a) TREATMENT AS RESOURCE.—Section 1613 of the
14 Social Security Act (42 U.S.C. 1382b) is amended by add-
15 ing at the end the following:

16 “Trusts

17 “(e)(1) In determining the resources of an individual,
18 paragraph (3) shall apply to a trust (other than a trust
19 described in paragraph (5)) established by the individual.

20 “(2)(A) For purposes of this subsection, an individual
21 shall be considered to have established a trust if any assets
22 of the individual (or of the individual’s spouse) are trans-
23 ferred to the trust other than by will.

24 “(B) In the case of an irrevocable trust to which are
25 transferred the assets of an individual (or of the individ-

1 ual's spouse) and the assets of any other person, this sub-
2 section shall apply to the portion of the trust attributable
3 to the assets of the individual (or of the individual's
4 spouse).

5 “(C) This subsection shall apply to a trust without
6 regard to—

7 “(i) the purposes for which the trust is estab-
8 lished;

9 “(ii) whether the trustees have or exercise any
10 discretion under the trust;

11 “(iii) any restrictions on when or whether dis-
12 tributions may be made from the trust; or

13 “(iv) any restrictions on the use of distributions
14 from the trust.

15 “(3)(A) In the case of a revocable trust established
16 by an individual, the corpus of the trust shall be consid-
17 ered a resource available to the individual.

18 “(B) In the case of an irrevocable trust established
19 by an individual, if there are any circumstances under
20 which payment from the trust could be made to or for
21 the benefit of the individual or the individual's spouse, the
22 portion of the corpus from which payment to or for the
23 benefit of the individual or the individual's spouse could
24 be made shall be considered a resource available to the
25 individual.

1 “(4) The Commissioner of Social Security may waive
2 the application of this subsection with respect to an indi-
3 vidual if the Commissioner determines that such applica-
4 tion would work an undue hardship (as determined on the
5 basis of criteria established by the Commissioner) on the
6 individual.

7 “(5) This subsection shall not apply to a trust de-
8 scribed in subparagraph (A) or (C) of section 1917(d)(4).

9 “(6) For purposes of this subsection—

10 “(A) the term ‘trust’ includes any legal instru-
11 ment or device that is similar to a trust;

12 “(B) the term ‘corpus’ means, with respect to
13 a trust, all property and other interests held by the
14 trust, including accumulated earnings and any other
15 addition to the trust after its establishment (except
16 that such term does not include any such earnings
17 or addition in the month in which the earnings or
18 addition is credited or otherwise transferred to the
19 trust); and

20 “(C) the term ‘asset’ includes any income or re-
21 source of the individual or of the individual’s spouse,
22 including—

23 “(i) any income excluded by section
24 1612(b);

1 “(ii) any resource otherwise excluded by
2 this section; and

3 “(iii) any other payment or property to
4 which the individual or the individual’s spouse
5 is entitled but does not receive or have access
6 to because of action by—

7 “(I) the individual or spouse;

8 “(II) a person or entity (including a
9 court) with legal authority to act in place
10 of, or on behalf of, the individual or
11 spouse; or

12 “(III) a person or entity (including a
13 court) acting at the direction of, or on the
14 request of, the individual or spouse.”.

15 (b) TREATMENT AS INCOME.—Section 1612(a)(2) of
16 such Act (42 U.S.C. 1382a(a)(2)) is amended—

17 (1) by striking “and” at the end of subpara-
18 graph (E);

19 (2) by striking the period at the end of sub-
20 paragraph (F) and inserting “; and”; and

21 (3) by adding at the end the following:

22 “(G) any earnings of, and additions to, the cor-
23 pus of a trust established by an individual (within
24 the meaning of section 1613(e)), of which the indi-
25 vidual is a beneficiary, to which section 1613(e) ap-

1 plies, and, in the case of an irrevocable trust, with
2 respect to which circumstances exist under which a
3 payment from the earnings or additions could be
4 made to or for the benefit of the individual.”.

5 (c) CONFORMING AMENDMENTS.—Section
6 1902(a)(10) of the Social Security Act (42 U.S.C.
7 1396a(a)(10)) is amended—

8 (1) by striking “and” at the end of subpara-
9 graph (E);

10 (2) by adding “and” at the end of subpara-
11 graph (F); and

12 (3) by inserting after subparagraph (F) the fol-
13 lowing:

14 “(G) that, in applying eligibility criteria of
15 the supplemental security income program
16 under title XVI for purposes of determining eli-
17 gibility for medical assistance under the State
18 plan of an individual who is not receiving sup-
19 plemental security income, the State will dis-
20 regard the provisions of section 1613(e);”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect on January 1, 2000, and shall
23 apply to trusts established on or after such date.

1 **SEC. 206. DISPOSAL OF RESOURCES FOR LESS THAN FAIR**
 2 **MARKET VALUE UNDER THE SSI PROGRAM.**

3 (a) IN GENERAL.—Section 1613(c) of the Social Se-
 4 curity Act (42 U.S.C. 1382b(c)) is amended—

5 (1) in the caption, by striking “Notification of
 6 Medicaid Policy Restricting Eligibility of Institu-
 7 tionalized Individuals for Benefits Based on”;

8 (2) in paragraph (1)—

9 (A) in subparagraph (A)—

10 (i) by inserting “paragraph (1) and”
 11 after “provisions of”;

12 (ii) by striking “title XIX” the first
 13 place it appears and inserting “this title
 14 and title XIX, respectively,”;

15 (iii) by striking “subparagraph (B)”
 16 and inserting “clause (ii)”;

17 (iv) by striking “paragraph (2)” and
 18 inserting “subparagraph (B)”;

19 (B) in subparagraph (B)—

20 (i) by striking “by the State agency”;
 21 and

22 (ii) by striking “section 1917(c)” and
 23 all that follows and inserting “paragraph
 24 (1) or section 1917(c).”; and

25 (C) by redesignating subparagraphs (A)
 26 and (B) as clauses (i) and (ii), respectively;

1 (3) in paragraph (2)—

2 (A) by striking “(2)” and inserting “(B)”;

3 and

4 (B) by striking “paragraph (1)(B)” and
5 inserting “subparagraph (A)(ii)”;

6 (4) by striking “(c)(1)” and inserting “(2)(A)”;

7 and

8 (5) by inserting before paragraph (2) (as so re-
9 designated by paragraph (4) of this subsection) the
10 following:

11 “(c)(1)(A)(i) If an individual or the spouse of an indi-
12 vidual disposes of resources for less than fair market value
13 on or after the look-back date described in clause (ii)(I),
14 the individual is ineligible for benefits under this title for
15 months during the period beginning on the date described
16 in clause (iii) and equal to the number of months cal-
17 culated as provided in clause (iv).

18 “(ii)(I) The look-back date described in this sub-
19 clause is a date that is 36 months before the date de-
20 scribed in subclause (II).

21 “(II) The date described in this subclause is the date
22 on which the individual applies for benefits under this title
23 or, if later, the date on which the individual (or the spouse
24 of the individual) disposes of resources for less than fair
25 market value.

1 “(iii) The date described in this clause is the first
2 day of the first month in or after which resources were
3 disposed of for less than fair market value and which does
4 not occur in any other period of ineligibility under this
5 paragraph.

6 “(iv) The number of months calculated under this
7 clause shall be equal to—

8 “(I) the total, cumulative uncompensated value
9 of all resources so disposed of by the individual (or
10 the spouse of the individual) on or after the look-
11 back date described in clause (ii)(I); divided by

12 “(II) the amount of the maximum monthly ben-
13 efit payable under section 1611(b), plus the amount
14 (if any) of the maximum State supplementary pay-
15 ment corresponding to the State’s payment level ap-
16 plicable to the individual’s living arrangement and
17 eligibility category that would otherwise be payable
18 to the individual by the Commissioner pursuant to
19 an agreement under section 1616(a) of this Act or
20 section 212(b) of Public Law 93–66, for the month
21 in which occurs the date described in clause (ii)(II),
22 rounded, in the case of any fraction, to the nearest whole
23 number, but shall not in any case exceed 36 months.

24 “(B)(i) Notwithstanding subparagraph (A), this sub-
25 section shall not apply to a transfer of a resource to a

1 trust if the portion of the trust attributable to the resource
2 is considered a resource available to the individual pursu-
3 ant to subsection (e)(3) (or would be so considered but
4 for the application of subsection (e)(4)).

5 “(ii) In the case of a trust established by an indi-
6 vidual or an individual’s spouse (within the meaning of
7 subsection (e)), if from such portion of the trust, if any,
8 that is considered a resource available to the individual
9 pursuant to subsection (e)(3) (or would be so considered
10 but for the application of subsection (e)(4)) or the residue
11 of the portion on the termination of the trust—

12 “(I) there is made a payment other than to or
13 for the benefit of the individual; or

14 “(II) no payment could under any circumstance
15 be made to the individual,

16 then, for purposes of this subsection, the payment de-
17 scribed in clause (I) or the foreclosure of payment de-
18 scribed in clause (II) shall be considered a transfer of re-
19 sources by the individual or the individual’s spouse as of
20 the date of the payment or foreclosure, as the case may
21 be.

22 “(C) An individual shall not be ineligible for benefits
23 under this title by reason of the application of this para-
24 graph to a disposal of resources by the individual or the
25 spouse of the individual, to the extent that—

1 “(i) the resources are a home and title to the
2 home was transferred to—

3 “(I) the spouse of the transferor;

4 “(II) a child of the transferor who has not
5 attained 21 years of age, or is blind or disabled;

6 “(III) a sibling of the transferor who has
7 an equity interest in such home and who was
8 residing in the transferor’s home for a period of
9 at least 1 year immediately before the date the
10 transferor becomes an institutionalized indi-
11 vidual; or

12 “(IV) a son or daughter of the transferor
13 (other than a child described in subclause (II))
14 who was residing in the transferor’s home for
15 a period of at least 2 years immediately before
16 the date the transferor becomes an institu-
17 tionalized individual, and who provided care to
18 the transferor which permitted the transferor to
19 reside at home rather than in such an institu-
20 tion or facility;

21 “(ii) the resources—

22 “(I) were transferred to the transferor’s
23 spouse or to another for the sole benefit of the
24 transferor’s spouse;

1 “(II) were transferred from the trans-
2 feror’s spouse to another for the sole benefit of
3 the transferor’s spouse;

4 “(III) were transferred to, or to a trust
5 (including a trust described in section
6 1917(d)(4)) established solely for the benefit of,
7 the transferor’s child who is blind or disabled;
8 or

9 “(IV) were transferred to a trust (includ-
10 ing a trust described in section 1917(d)(4)) es-
11 tablished solely for the benefit of an individual
12 who has not attained 65 years of age and who
13 is disabled;

14 “(iii) a satisfactory showing is made to the
15 Commissioner of Social Security (in accordance with
16 regulations promulgated by the Commissioner)
17 that—

18 “(I) the individual who disposed of the re-
19 sources intended to dispose of the resources ei-
20 ther at fair market value, or for other valuable
21 consideration;

22 “(II) the resources were transferred exclu-
23 sively for a purpose other than to qualify for
24 benefits under this title; or

1 “(III) all resources transferred for less
2 than fair market value have been returned to
3 the transferor; or

4 “(iv) the Commissioner determines, under pro-
5 cedures established by the Commissioner, that the
6 denial of eligibility would work an undue hardship as
7 determined on the basis of criteria established by the
8 Commissioner.

9 “(D) For purposes of this subsection, in the case of
10 a resource held by an individual in common with another
11 person or persons in a joint tenancy, tenancy in common,
12 or similar arrangement, the resource (or the affected por-
13 tion of such resource) shall be considered to be disposed
14 of by the individual when any action is taken, either by
15 the individual or by any other person, that reduces or
16 eliminates the individual’s ownership or control of such re-
17 source.

18 “(E) In the case of a transfer by the spouse of an
19 individual that results in a period of ineligibility for the
20 individual under this subsection, the Commissioner shall
21 apportion the period (or any portion of the period) among
22 the individual and the individual’s spouse if the spouse be-
23 comes eligible for benefits under this title.

24 “(F) For purposes of this paragraph—

1 “(i) the term ‘benefits under this title’ includes
2 payments of the type described in section 1616(a) of
3 this Act and of the type described in section 212(b)
4 of Public Law 93–66;

5 “(ii) the term ‘institutionalized individual’ has
6 the meaning given such term in section 1917(e)(3);
7 and

8 “(iii) the term ‘trust’ has the meaning given
9 such term in subsection (e)(6)(A) of this section.”.

10 (b) CONFORMING AMENDMENT.—Section
11 1902(a)(10) of the Social Security Act (42 U.S.C.
12 1396a(a)(10)), as amended by section 205(c) of this Act,
13 is amended by striking “section 1613(e)” and inserting
14 “subsections (c) and (e) of section 1613”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall be effective with respect to disposals
17 made on or after the date of the enactment of this Act.

18 **SEC. 207. ADMINISTRATIVE PROCEDURE FOR IMPOSING**
19 **PENALTIES FOR FALSE OR MISLEADING**
20 **STATEMENTS.**

21 (a) IN GENERAL.—Part A of title XI of the Social
22 Security Act (42 U.S.C. 1301 et seq.) is amended by in-
23 serting after section 1129 the following:

1 **“SEC. 1129A. ADMINISTRATIVE PROCEDURE FOR IMPOSING**
2 **PENALTIES FOR FALSE OR MISLEADING**
3 **STATEMENTS.**

4 “(a) IN GENERAL.—Any person who makes, or
5 causes to be made, a statement or representation of a ma-
6 terial fact for use in determining any initial or continuing
7 right to or the amount of—

8 “(1) monthly insurance benefits under title II;
9 or

10 “(2) benefits or payments under title XVI,
11 that the person knows or should know is false or mis-
12 leading or knows or should know omits a material fact
13 or who makes such a statement with knowing disregard
14 for the truth shall be subject to, in addition to any other
15 penalties that may be prescribed by law, a penalty de-
16 scribed in subsection (b) to be imposed by the Commis-
17 sioner of Social Security.

18 “(b) PENALTY.—The penalty described in this sub-
19 section is—

20 “(1) nonpayment of benefits under title II that
21 would otherwise be payable to the person; and

22 “(2) ineligibility for cash benefits under title
23 XVI,

24 for each month that begins during the applicable period
25 described in subsection (c).

1 “(c) DURATION OF PENALTY.—The duration of the
2 applicable period, with respect to a determination by the
3 Commissioner under subsection (a) that a person has en-
4 gaged in conduct described in subsection (a), shall be—

5 “(1) six consecutive months, in the case of the
6 first such determination with respect to the person;

7 “(2) twelve consecutive months, in the case of
8 the second such determination with respect to the
9 person; and

10 “(3) twenty-four consecutive months, in the
11 case of the third or subsequent such determination
12 with respect to the person.

13 “(d) EFFECT ON OTHER ASSISTANCE.—A person
14 subject to a period of nonpayment of benefits under title
15 II or ineligibility for title XVI benefits by reason of this
16 section nevertheless shall be considered to be eligible for
17 and receiving such benefits, to the extent that the person
18 would be receiving or eligible for such benefits but for the
19 imposition of the penalty, for purposes of—

20 “(1) determination of the eligibility of the per-
21 son for benefits under titles XVIII and XIX; and

22 “(2) determination of the eligibility or amount
23 of benefits payable under title II or XVI to another
24 person.

1 “(e) DEFINITION.—In this section, the term ‘benefits
2 under title XVI’ includes State supplementary payments
3 made by the Commissioner pursuant to an agreement
4 under section 1616(a) of this Act or section 212(b) of
5 Public Law 93–66.

6 “(f) CONSULTATIONS.—The Commissioner of Social
7 Security shall consult with the Inspector General of the
8 Social Security Administration regarding initiating actions
9 under this section.”.

10 (b) CONFORMING AMENDMENT PRECLUDING DE-
11 LAYED RETIREMENT CREDIT FOR ANY MONTH TO WHICH
12 A NONPAYMENT OF BENEFITS PENALTY APPLIES.—Sec-
13 tion 202(w)(2)(B) of such Act (42 U.S.C. 402(w)(2)(B))
14 is amended—

15 (1) by striking “and” at the end of clause (i);

16 (2) by striking the period at the end of clause

17 (ii) and inserting “, and”; and

18 (3) by adding at the end the following:

19 “(iii) such individual was not subject to a
20 penalty imposed under section 1129A.”.

21 (c) ELIMINATION OF REDUNDANT PROVISION.—Sec-
22 tion 1611(e) of such Act (42 U.S.C. 1382(e)) is
23 amended—

24 (1) by striking paragraph (4);

1 (2) in paragraph (6)(A)(i), by striking “(5)”
2 and inserting “(4)”; and

3 (3) by redesignating paragraphs (5) and (6) as
4 paragraphs (4) and (5), respectively.

5 (d) REGULATIONS.—Within 6 months after the date
6 of the enactment of this Act, the Commissioner of Social
7 Security shall develop regulations that prescribe the ad-
8 ministrative process for making determinations under sec-
9 tion 1129A of the Social Security Act (including when the
10 applicable period in subsection (c) of such section shall
11 commence), and shall provide guidance on the exercise of
12 discretion as to whether the penalty should be imposed
13 in particular cases.

14 (e) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to statements and representations
16 made on or after the date of the enactment of this Act.

17 **SEC. 208. EXCLUSION OF REPRESENTATIVES AND HEALTH**
18 **CARE PROVIDERS CONVICTED OF VIOLA-**
19 **TIONS FROM PARTICIPATION IN SOCIAL SE-**
20 **CURITY PROGRAMS.**

21 (a) IN GENERAL.—Part A of title XI of the Social
22 Security Act is amended by inserting before section 1137
23 (42 U.S.C. 1320b–7) the following:

1 “EXCLUSION OF REPRESENTATIVES AND HEALTH CARE
2 PROVIDERS CONVICTED OF VIOLATIONS FROM PAR-
3 TICIPATION IN SOCIAL SECURITY PROGRAMS

4 “SEC. 1136. (a) IN GENERAL.—The Commissioner
5 of Social Security shall exclude from participation in the
6 social security programs any representative or health care
7 provider—

8 “(1) who is convicted of a violation of section
9 208 or 1632 of this Act;

10 “(2) who is convicted of any violation under
11 title 18, United States Code, relating to an initial
12 application for or continuing entitlement to, or
13 amount of, benefits under title II of this Act, or an
14 initial application for or continuing eligibility for, or
15 amount of, benefits under title XVI of this Act; or

16 “(3) who the Commissioner determines has
17 committed an offense described in section
18 1129(a)(1) of this Act.

19 “(b) NOTICE, EFFECTIVE DATE, AND PERIOD OF
20 EXCLUSION.—(1) An exclusion under this section shall be
21 effective at such time, for such period, and upon such rea-
22 sonable notice to the public and to the individual excluded
23 as may be specified in regulations consistent with para-
24 graph (2).

1 “(2) Such an exclusion shall be effective with respect
2 to services furnished to any individual on or after the ef-
3 fective date of the exclusion. Nothing in this section may
4 be construed to preclude, in determining disability under
5 title II or title XVI, consideration of any medical evidence
6 derived from services provided by a health care provider
7 before the effective date of the exclusion of the health care
8 provider under this section.

9 “(3)(A) The Commissioner shall specify, in the notice
10 of exclusion under paragraph (1), the period of the exclu-
11 sion.

12 “(B) Subject to subparagraph (C), in the case of an
13 exclusion under subsection (a), the minimum period of ex-
14 clusion shall be five years, except that the Commissioner
15 may waive the exclusion in the case of an individual who
16 is the sole source of essential services in a community. The
17 Commissioner’s decision whether to waive the exclusion
18 shall not be reviewable.

19 “(C) In the case of an exclusion of an individual
20 under subsection (a) based on a conviction or a determina-
21 tion described in subsection (a)(3) occurring on or after
22 the date of the enactment of this section, if the individual
23 has (before, on, or after such date of the enactment) been
24 convicted, or if such a determination has been made with
25 respect to the individual—

1 “(i) on one previous occasion of one or more of-
2 fenses for which an exclusion may be effected under
3 such subsection, the period of the exclusion shall be
4 not less than 10 years; or

5 “(ii) on two or more previous occasions of one
6 or more offenses for which an exclusion may be ef-
7 fected under such subsection, the period of the ex-
8 clusion shall be permanent.

9 “(c) NOTICE TO STATE AGENCIES.—The Commis-
10 sioner shall promptly notify each appropriate State agency
11 employed for the purpose of making disability determina-
12 tions under section 221 or 1633(a)—

13 “(1) of the fact and circumstances of each ex-
14 clusion effected against an individual under this sec-
15 tion; and

16 “(2) of the period (described in subsection
17 (b)(3)) for which the State agency is directed to ex-
18 clude the individual from participation in the activi-
19 ties of the State agency in the course of its employ-
20 ment.

21 “(d) NOTICE TO STATE LICENSING AGENCIES.—The
22 Commissioner shall—

23 “(1) promptly notify the appropriate State or
24 local agency or authority having responsibility for
25 the licensing or certification of an individual ex-

1 cluded from participation under this section of the
2 fact and circumstances of the exclusion;

3 “(2) request that appropriate investigations be
4 made and sanctions invoked in accordance with ap-
5 plicable State law and policy; and

6 “(3) request that the State or local agency or
7 authority keep the Commissioner and the Inspector
8 General of the Social Security Administration fully
9 and currently informed with respect to any actions
10 taken in response to the request.

11 “(e) NOTICE, HEARING, AND JUDICIAL REVIEW.—

12 (1) Any individual who is excluded (or directed to be ex-
13 cluded) from participation under this section is entitled
14 to reasonable notice and opportunity for a hearing thereon
15 by the Commissioner to the same extent as is provided
16 in section 205(b), and to judicial review of the Commis-
17 sioner’s final decision after such hearing as is provided
18 in section 205(g).

19 “(2) The provisions of section 205(h) shall apply with
20 respect to this section to the same extent as it is applicable
21 with respect to title II.

22 “(f) APPLICATION FOR TERMINATION OF EXCLU-
23 SION.—(1) An individual excluded from participation
24 under this section may apply to the Commissioner, in the
25 manner specified by the Commissioner in regulations and

1 at the end of the minimum period of exclusion provided
2 under subsection (b)(3) and at such other times as the
3 Commissioner may provide, for termination of the exclu-
4 sion effected under this section.

5 “(2) The Commissioner may terminate the exclusion
6 if the Commissioner determines, on the basis of the con-
7 duct of the applicant which occurred after the date of the
8 notice of exclusion or which was unknown to the Commis-
9 sioner at the time of the exclusion, that—

10 “(A) there is no basis under subsection (a) for
11 a continuation of the exclusion; and

12 “(B) there are reasonable assurances that the
13 types of actions which formed the basis for the origi-
14 nal exclusion have not recurred and will not recur.

15 “(3) The Commissioner shall promptly notify each
16 State agency employed for the purpose of making dis-
17 ability determinations under section 221 or 1633(a) of the
18 fact and circumstances of each termination of exclusion
19 made under this subsection.

20 “(g) AVAILABILITY OF RECORDS OF EXCLUDED
21 REPRESENTATIVES AND HEALTH CARE PROVIDERS.—

22 Nothing in this section shall be construed to have the ef-
23 fect of limiting access by any applicant or beneficiary
24 under title II or XVI, any State agency acting under sec-
25 tion 221 or 1633(a), or the Commissioner to records main-

1 tained by any representative or health care provider in
2 connection with services provided to the applicant or bene-
3 ficiary prior to the exclusion of such representative or
4 health care provider under this section.

5 “(h) REPORTING REQUIREMENT.—Any representa-
6 tive or health care provider participating in, or seeking
7 to participate in, a social security program shall inform
8 the Commissioner, in such form and manner as the Com-
9 missioner shall prescribe by regulation, whether such rep-
10 resentative or health care provider has been convicted of
11 a violation described in subsection (a).

12 “(i) DELEGATION OF AUTHORITY.—The Commis-
13 sioner may delegate authority granted by this section to
14 the Inspector General.

15 “(j) DEFINITIONS.—For purposes of this section:

16 “(1) EXCLUDE.—The term ‘exclude’ from par-
17 ticipation means—

18 “(A) in connection with a representative,
19 to prohibit from engaging in representation of
20 an applicant for, or recipient of, benefits, as a
21 representative payee under section 205(j) or
22 section 1631(a)(2)(A)(ii), or otherwise as a rep-
23 resentative, in any hearing or other proceeding
24 relating to entitlement to benefits; and

1 “(B) in connection with a health care pro-
2 vider, to prohibit from providing items or serv-
3 ices to an applicant for, or recipient of, benefits
4 for the purpose of assisting such applicant or
5 recipient in demonstrating disability.

6 “(2) SOCIAL SECURITY PROGRAM.—The term
7 ‘social security programs’ means the program pro-
8 viding for monthly insurance benefits under title II,
9 and the program providing for monthly supplemental
10 security income benefits to individuals under title
11 XVI (including State supplementary payments made
12 by the Commissioner pursuant to an agreement
13 under section 1616(a) of this Act or section 212(b)
14 of Public Law 93–66).

15 “(3) CONVICTED.—An individual is considered
16 to have been ‘convicted’ of a violation—

17 “(A) when a judgment of conviction has
18 been entered against the individual by a Fed-
19 eral, State, or local court, except if the judg-
20 ment of conviction has been set aside or ex-
21 punged;

22 “(B) when there has been a finding of
23 guilt against the individual by a Federal, State,
24 or local court;

1 “(C) when a plea of guilty or nolo
2 contendere by the individual has been accepted
3 by a Federal, State, or local court; or

4 “(D) when the individual has entered into
5 participation in a first offender, deferred adju-
6 dication, or other arrangement or program
7 where judgment of conviction has been with-
8 held.”.

9 (b) **EFFECTIVE DATE.**—The amendment made by
10 this section shall apply with respect to convictions of viola-
11 tions described in paragraphs (1) and (2) of section
12 1136(a) of the Social Security Act and determinations de-
13 scribed in paragraph (3) of such section occurring on or
14 after the date of the enactment of this Act.

15 **SEC. 209. STATE DATA EXCHANGES.**

16 Whenever the Commissioner of Social Security re-
17 quests information from a State for the purpose of
18 ascertaining an individual’s eligibility for benefits (or the
19 correct amount of such benefits) under title II or XVI of
20 the Social Security Act, the standards of the Commis-
21 sioner promulgated pursuant to section 1106 of such Act
22 or any other Federal law for the use, safeguarding, and
23 disclosure of information are deemed to meet any stand-
24 ards of the State that would otherwise apply to the dislo-
25 sure of information by the State to the Commissioner.

1 **SEC. 210. STUDY ON POSSIBLE MEASURES TO IMPROVE**
2 **FRAUD PREVENTION AND ADMINISTRATIVE**
3 **PROCESSING.**

4 (a) STUDY.—As soon as practicable after the date of
5 the enactment of this Act, the Commissioner of Social Se-
6 curity, in consultation with the Inspector General of the
7 Social Security Administration and the Attorney General,
8 shall conduct a study of possible measures to improve—

9 (1) prevention of fraud on the part of individ-
10 uals entitled to disability benefits under section 223
11 of the Social Security Act or benefits under section
12 202 of such Act based on the beneficiary's disability,
13 individuals eligible for supplemental security income
14 benefits under title XVI of such Act, and applicants
15 for any such benefits; and

16 (2) timely processing of reported income
17 changes by individuals receiving such benefits.

18 (b) REPORT.—Not later than 1 year after the date
19 of the enactment of this Act, the Commissioner shall sub-
20 mit to the Committee on Ways and Means of the House
21 of Representatives and the Committee on Finance of the
22 Senate a written report that contains the results of the
23 Commissioner's study under subsection (a). The report
24 shall contain such recommendations for legislative and ad-
25 ministrative changes as the Commissioner considers ap-
26 propriate.

1 **SEC. 211. ANNUAL REPORT ON AMOUNTS NECESSARY TO**
2 **COMBAT FRAUD.**

3 (a) IN GENERAL.—Section 704(b)(1) of the Social
4 Security Act (42 U.S.C. 904(b)(1)) is amended—

5 (1) by inserting “(A)” after “(b)(1)”; and

6 (2) by adding at the end the following new sub-
7 paragraph:

8 “(B) The Commissioner shall include in the annual
9 budget prepared pursuant to subparagraph (A) an
10 itemization of the amount of funds required by the Social
11 Security Administration for the fiscal year covered by the
12 budget to support efforts to combat fraud committed by
13 applicants and beneficiaries.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to annual budgets pre-
16 pared for fiscal years after fiscal year 1999.

17 **SEC. 212. COMPUTER MATCHES WITH MEDICARE AND MED-**
18 **ICAID INSTITUTIONALIZATION DATA.**

19 (a) IN GENERAL.—Section 1611(e)(1) of the Social
20 Security Act (42 U.S.C. 1382(e)(1)) is amended by adding
21 at the end the following:

22 “(J) For the purpose of carrying out this paragraph,
23 the Commissioner of Social Security shall conduct periodic
24 computer matches with data maintained by the Secretary
25 of Health and Human Services under title XVIII or XIX.
26 The Secretary shall furnish to the Commissioner, in such

1 form and manner and under such terms as the Commis-
 2 sioner and the Secretary shall mutually agree, such infor-
 3 mation as the Commissioner may request for this purpose.
 4 Information obtained pursuant to such a match may be
 5 substituted for the physician's certification otherwise re-
 6 quired under subparagraph (G)(i).”.

7 (b) CONFORMING AMENDMENT.—Section
 8 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is
 9 amended by striking “subparagraph (H)” and inserting
 10 “subparagraph (H) or (J)”.

11 **SEC. 213. ACCESS TO INFORMATION HELD BY FINANCIAL**
 12 **INSTITUTIONS.**

13 Section 1631(e)(1)(B) of the Social Security Act (42
 14 U.S.C. 1383(e)(1)(B)) is amended—

15 (1) by striking “(B) The” and inserting “(B)(i)
 16 The”; and

17 (2) by adding at the end the following new
 18 clause:

19 “(ii)(I) The Commissioner of Social Security may re-
 20 quire each applicant for, or recipient of, benefits under
 21 this title to provide authorization by the applicant or re-
 22 cipient (or by any other person whose income or resources
 23 are material to the determination of the eligibility of the
 24 applicant or recipient for such benefits) for the Commis-
 25 sioner to obtain (subject to the cost reimbursement re-

1 quirements of section 1115(a) of the Right to Financial
2 Privacy Act) from any financial institution (within the
3 meaning of section 1101(1) of such Act) any financial
4 record (within the meaning of section 1101(2) of such
5 Act) held by the institution with respect to the applicant
6 or recipient (or any such other person) whenever the Com-
7 missioner determines the record is needed in connection
8 with a determination with respect to such eligibility or the
9 amount of such benefits.

10 “(II) Notwithstanding section 1104(a)(1) of the
11 Right to Financial Privacy Act, an authorization provided
12 by an applicant or recipient (or any other person whose
13 income or resources are material to the determination of
14 the eligibility of the applicant or recipient) pursuant to
15 subclause (I) of this clause shall remain effective until the
16 earliest of—

17 “(aa) the rendering of a final adverse decision
18 on the applicant’s application for eligibility for bene-
19 fits under this title;

20 “(bb) the cessation of the recipient’s eligibility
21 for benefits under this title; or

22 “(cc) the express revocation by the applicant or
23 recipient (or such other person referred to in sub-
24 clause (I)) of the authorization, in a written notifica-
25 tion to the Commissioner.

1 “(III)(aa) An authorization obtained by the Commis-
2 sioner of Social Security pursuant to this clause shall be
3 considered to meet the requirements of the Right to Fi-
4 nancial Privacy Act for purposes of section 1103(a) of
5 such Act, and need not be furnished to the financial insti-
6 tution, notwithstanding section 1104(a) of such Act.

7 “(bb) The certification requirements of section
8 1103(b) of the Right to Financial Privacy Act shall not
9 apply to requests by the Commissioner of Social Security
10 pursuant to an authorization provided under this clause.

11 “(cc) A request by the Commissioner pursuant to an
12 authorization provided under this clause is deemed to meet
13 the requirements of section 1104(a)(3) of the Right to Fi-
14 nancial Privacy Act and the flush language of section
15 1102 of such Act.

16 “(IV) The Commissioner shall inform any person who
17 provides authorization pursuant to this clause of the dura-
18 tion and scope of the authorization.

19 “(V) If an applicant for, or recipient of, benefits
20 under this title (or any such other person referred to in
21 subclause (I)) refuses to provide, or revokes, any author-
22 ization made by the applicant or recipient for the Commis-
23 sioner of Social Security to obtain from any financial insti-
24 tution any financial record, the Commissioner may, on

1 that basis, determine that the applicant or recipient is in-
 2 eligible for benefits under this title.”.

3 **Subtitle B—Benefits For Certain**
 4 **World War II Veterans**

5 **SEC. 251. ESTABLISHMENT OF PROGRAM OF SPECIAL BEN-**
 6 **EFITS FOR CERTAIN WORLD WAR II VET-**
 7 **ERANS.**

8 (a) IN GENERAL.—The Social Security Act is amend-
 9 ed by inserting after title VII the following new title:

10 **“TITLE VIII—SPECIAL BENEFITS**
 11 **FOR CERTAIN WORLD WAR II**
 12 **VETERANS**

“TABLE OF CONTENTS

“Sec. 801. Basic entitlement to benefits.
 “Sec. 802. Qualified individuals.
 “Sec. 803. Residence outside the United States.
 “Sec. 804. Disqualifications.
 “Sec. 805. Benefit amount.
 “Sec. 806. Applications and furnishing of information.
 “Sec. 807. Representative payees.
 “Sec. 808. Overpayments and underpayments.
 “Sec. 809. Hearings and review.
 “Sec. 810. Other administrative provisions.
 “Sec. 811. Penalties for fraud.
 “Sec. 812. Definitions.
 “Sec. 813. Appropriations.

13 **“SEC. 801. BASIC ENTITLEMENT TO BENEFITS.**

14 “Every individual who is a qualified individual under
 15 section 802 shall, in accordance with and subject to the
 16 provisions of this title, be entitled to a monthly benefit
 17 paid by the Commissioner of Social Security for each
 18 month after September 2000 (or such earlier month, if

1 the Commissioner determines is administratively feasible)
2 the individual resides outside the United States.

3 **“SEC. 802. QUALIFIED INDIVIDUALS.**

4 “Except as otherwise provided in this title, an
5 individual—

6 “(1) who has attained the age of 65 on or be-
7 fore the date of the enactment of this title;

8 “(2) who is a World War II veteran;

9 “(3) who is eligible for a supplemental security
10 income benefit under title XVI for—

11 “(A) the month in which this title is en-
12 acted; and

13 “(B) the month in which the individual
14 files an application for benefits under this title;

15 “(4) whose total benefit income is less than 75
16 percent of the Federal benefit rate under title XVI;

17 “(5) who has filed an application for benefits
18 under this title; and

19 “(6) who is in compliance with all requirements
20 imposed by the Commissioner of Social Security
21 under this title,

22 shall be a qualified individual for purposes of this title.

23 **“SEC. 803. RESIDENCE OUTSIDE THE UNITED STATES.**

24 “For purposes of section 801, with respect to any
25 month, an individual shall be regarded as residing outside

1 the United States if, on the first day of the month, the
2 individual so resides outside the United States.

3 **“SEC. 804. DISQUALIFICATIONS.**

4 “(a) IN GENERAL.—Notwithstanding section 802, an
5 individual may not be a qualified individual for any
6 month—

7 “(1) that begins after the month in which the
8 Commissioner of Social Security is notified by the
9 Attorney General that the individual has been re-
10 moved from the United States pursuant to section
11 237(a) or 212(a)(6)(A) of the Immigration and Na-
12 tionality Act and before the month in which the indi-
13 vidual is lawfully admitted to the United States for
14 permanent residence;

15 “(2) during any part of which the individual is
16 fleeing to avoid prosecution, or custody or confine-
17 ment after conviction, under the laws of the United
18 States or the jurisdiction within the United States
19 from which the person has fled, for a crime, or an
20 attempt to commit a crime, that is a felony under
21 the laws of the place from which the individual has
22 fled, or which, in the case of the State of New Jer-
23 sey, is a high misdemeanor under the laws of such
24 State;

“(b) REQUIREMENT FOR ATTORNEY GENERAL.—For the purpose of carrying out subsection (a)(1), the Attorney General shall notify the Commissioner of Social Security as soon as practicable after the removal of any individual under section 237(a) or 212(a)(6)(A) of the Immigration and Nationality Act.

17 “The benefit under this title payable to a qualified
18 individual for any month shall be in an amount equal to
19 75 percent of the Federal benefit rate under title XVI for
20 the month, reduced by the amount of the qualified individ-
21 ual’s benefit income for the month.

24 “(a) IN GENERAL.—The Commissioner of Social Se-
25 curity shall, subject to subsection (b), prescribe such re-

1 quirements with respect to the filing of applications, the
2 furnishing of information and other material, and the re-
3 porting of events and changes in circumstances, as may
4 be necessary for the effective and efficient administration
5 of this title.

6 “(b) VERIFICATION REQUIREMENT.—The require-
7 ments prescribed by the Commissioner of Social Security
8 under subsection (a) shall preclude any determination of
9 entitlement to benefits under this title solely on the basis
10 of declarations by the individual concerning qualifications
11 or other material facts, and shall provide for verification
12 of material information from independent or collateral
13 sources, and the procurement of additional information as
14 necessary in order to ensure that the benefits are provided
15 only to qualified individuals (or their representative pay-
16 ees) in correct amounts.

17 **“SEC. 807. REPRESENTATIVE PAYEES.**

18 “(a) IN GENERAL.—If the Commissioner of Social
19 Security determines that the interest of any qualified indi-
20 vidual under this title would be served thereby, payment
21 of the qualified individual’s benefit under this title may
22 be made, regardless of the legal competency or incom-
23 petency of the qualified individual, either directly to the
24 qualified individual, or for his or her benefit, to another
25 person (the meaning of which term, for purposes of this

1 section, includes an organization) with respect to whom
2 the requirements of subsection (b) have been met (in this
3 section referred to as the qualified individual's 'represent-
4 ative payee'). If the Commissioner of Social Security de-
5 termines that a representative payee has misused any ben-
6 efit paid to the representative payee pursuant to this sec-
7 tion, section 205(j), or section 1631(a)(2), the Commis-
8 sioner of Social Security shall promptly revoke the per-
9 son's designation as the qualified individual's representa-
10 tive payee under this subsection, and shall make payment
11 to an alternative representative payee or, if the interest
12 of the qualified individual under this title would be served
13 thereby, to the qualified individual.

14 “(b) EXAMINATION OF FITNESS OF PROSPECTIVE
15 REPRESENTATIVE PAYEE.—

16 “(1) Any determination under subsection (a) to
17 pay the benefits of a qualified individual to a rep-
18 resentative payee shall be made on the basis of—

19 “(A) an investigation by the Commissioner
20 of Social Security of the person to serve as rep-
21 resentative payee, which shall be conducted in
22 advance of the determination and shall, to the
23 extent practicable, include a face-to-face inter-
24 view with the person (or, in the case of an orga-

1 nization, a representative of the organization);
2 and

3 “(B) adequate evidence that the arrange-
4 ment is in the interest of the qualified indi-
5 vidual.

6 “(2) As part of the investigation referred to in
7 paragraph (1), the Commissioner of Social Security
8 shall—

9 “(A) require the person being investigated
10 to submit documented proof of the identity of
11 the person;

12 “(B) in the case of a person who has a so-
13 cial security account number issued for pur-
14 poses of the program under title II or an em-
15 ployer identification number issued for purposes
16 of the Internal Revenue Code of 1986, verify
17 the number;

18 “(C) determine whether the person has
19 been convicted of a violation of section 208,
20 811, or 1632; and

21 “(D) determine whether payment of bene-
22 fits to the person in the capacity as representa-
23 tive payee has been revoked or terminated pur-
24 suant to this section, section 205(j), or section
25 1631(a)(2)(A)(iii) by reason of misuse of funds

1 paid as benefits under this title, title II, or
2 XVI, respectively.

3 “(c) REQUIREMENT FOR MAINTAINING LISTS OF UN-
4 DESIRABLE PAYEES.—The Commissioner of Social Secu-
5 rity shall establish and maintain lists which shall be up-
6 dated periodically and which shall be in a form that ren-
7 ders such lists available to the servicing offices of the So-
8 cial Security Administration. The lists shall consist of—

9 “(1) the names and (if issued) social security
10 account numbers or employer identification numbers
11 of all persons with respect to whom, in the capacity
12 of representative payee, the payment of benefits has
13 been revoked or terminated under this section, sec-
14 tion 205(j), or section 1631(a)(2)(A)(iii) by reason
15 of misuse of funds paid as benefits under this title,
16 title II, or XVI, respectively; and

17 “(2) the names and (if issued) social security
18 account numbers or employer identification numbers
19 of all persons who have been convicted of a violation
20 of section 208, 811, or 1632.

21 “(d) PERSONS INELIGIBLE TO SERVE AS REP-
22 RESENTATIVE PAYEES.—

23 “(1) IN GENERAL.—The benefits of a qualified
24 individual may not be paid to any other person pur-
25 suant to this section if—

1 “(A) the person has been convicted of a
2 violation of section 208, 811, or 1632;

3 “(B) except as provided in paragraph (2),
4 payment of benefits to the person in the capac-
5 ity of representative payee has been revoked or
6 terminated under this section, section 205(j), or
7 section 1631(a)(2)(A)(ii) by reason of misuse of
8 funds paid as benefits under this title, title II,
9 or title XVI, respectively; or

10 “(C) except as provided in paragraph
11 (2)(B), the person is a creditor of the qualified
12 individual and provides the qualified individual
13 with goods or services for consideration.

14 “(2) EXEMPTIONS.—

15 “(A) The Commissioner of Social Security
16 may prescribe circumstances under which the
17 Commissioner of Social Security may grant an
18 exemption from paragraph (1) to any person on
19 a case-by-case basis if the exemption is in the
20 best interest of the qualified individual whose
21 benefits would be paid to the person pursuant
22 to this section.

23 “(B) Paragraph (1)(C) shall not apply
24 with respect to any person who is a creditor re-
25 ferred to in such paragraph if the creditor is—

1 “(i) a relative of the qualified indi-
2 vidual and the relative resides in the same
3 household as the qualified individual;

4 “(ii) a legal guardian or legal rep-
5 resentative of the individual;

6 “(iii) a facility that is licensed or cer-
7 tified as a care facility under the law of
8 the political jurisdiction in which the quali-
9 fied individual resides;

10 “(iv) a person who is an adminis-
11 trator, owner, or employee of a facility re-
12 ferred to in clause (iii), if the qualified in-
13 dividual resides in the facility, and the pay-
14 ment to the facility or the person is made
15 only after the Commissioner of Social Se-
16 curity has made a good faith effort to lo-
17 cate an alternative representative payee to
18 whom payment would serve the best inter-
19 ests of the qualified individual; or

20 “(v) a person who is determined by
21 the Commissioner of Social Security, on
22 the basis of written findings and pursuant
23 to procedures prescribed by the Commis-
24 sioner of Social Security, to be acceptable
25 to serve as a representative payee.

1 “(C) The procedures referred to in sub-
2 paragraph (B)(v) shall require the person who
3 will serve as representative payee to establish,
4 to the satisfaction of the Commissioner of So-
5 cial Security, that—

6 “(i) the person poses no risk to the
7 qualified individual;

8 “(ii) the financial relationship of the
9 person to the qualified individual poses no
10 substantial conflict of interest; and

11 “(iii) no other more suitable rep-
12 resentative payee can be found.

13 “(e) DEFERRAL OF PAYMENT PENDING APPOINT-
14 MENT OF REPRESENTATIVE PAYEE.—

15 “(1) IN GENERAL.—Subject to paragraph (2),
16 if the Commissioner of Social Security makes a de-
17 termination described in the first sentence of sub-
18 section (a) with respect to any qualified individual’s
19 benefit and determines that direct payment of the
20 benefit to the qualified individual would cause sub-
21 stantial harm to the qualified individual, the Com-
22 missioner of Social Security may defer (in the case
23 of initial entitlement) or suspend (in the case of ex-
24 isting entitlement) direct payment of the benefit to
25 the qualified individual, until such time as the selec-

1 tion of a representative payee is made pursuant to
2 this section.

3 “(2) TIME LIMITATION.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), any deferral or suspension of
6 direct payment of a benefit pursuant to para-
7 graph (1) shall be for a period of not more than
8 1 month.

9 “(B) EXCEPTION IN THE CASE OF INCOM-
10 PETENCY.—Subparagraph (A) shall not apply
11 in any case in which the qualified individual is,
12 as of the date of the Commissioner of Social
13 Security’s determination, legally incompetent
14 under the laws of the jurisdiction in which the
15 individual resides.

16 “(3) PAYMENT OF RETROACTIVE BENEFITS.—
17 Payment of any benefits which are deferred or sus-
18 pended pending the selection of a representative
19 payee shall be made to the qualified individual or the
20 representative payee as a single sum or over such
21 period of time as the Commissioner of Social Secu-
22 rity determines is in the best interest of the qualified
23 individual.

24 “(f) HEARING.—Any qualified individual who is dis-
25 satisfied with a determination by the Commissioner of So-

1 cial Security to make payment of the qualified individual's
2 benefit to a representative payee under subsection (a) of
3 this section or with the designation of a particular person
4 to serve as representative payee shall be entitled to a hear-
5 ing by the Commissioner of Social Security to the same
6 extent as is provided in section 809(a), and to judicial re-
7 view of the Commissioner of Social Security's final deci-
8 sion as is provided in section 809(b).

9 “(g) NOTICE REQUIREMENTS.—

10 “(1) IN GENERAL.—In advance, to the extent
11 practicable, of the payment of a qualified individ-
12 ual's benefit to a representative payee under sub-
13 section (a), the Commissioner of Social Security
14 shall provide written notice of the Commissioner's
15 initial determination to so make the payment. The
16 notice shall be provided to the qualified individual,
17 except that, if the qualified individual is legally in-
18 competent, then the notice shall be provided solely to
19 the legal guardian or legal representative of the
20 qualified individual.

21 “(2) SPECIFIC REQUIREMENTS.—Any notice re-
22 quired by paragraph (1) shall be clearly written in
23 language that is easily understandable to the reader,
24 shall identify the person to be designated as the
25 qualified individual's representative payee, and shall

1 explain to the reader the right under subsection (f)
2 of the qualified individual or of the qualified individ-
3 ual's legal guardian or legal representative—

4 “(A) to appeal a determination that a rep-
5 resentative payee is necessary for the qualified
6 individual;

7 “(B) to appeal the designation of a par-
8 ticular person to serve as the representative
9 payee of the qualified individual; and

10 “(C) to review the evidence upon which the
11 designation is based and to submit additional
12 evidence.

13 “(h) ACCOUNTABILITY MONITORING.—

14 “(1) IN GENERAL.—In any case where payment
15 under this title is made to a person other than the
16 qualified individual entitled to the payment, the
17 Commissioner of Social Security shall establish a
18 system of accountability monitoring under which the
19 person shall report not less often than annually with
20 respect to the use of the payments. The Commis-
21 sioner of Social Security shall establish and imple-
22 ment statistically valid procedures for reviewing the
23 reports in order to identify instances in which per-
24 sons are not properly using the payments.

1 “(2) SPECIAL REPORTS.—Notwithstanding
2 paragraph (1), the Commissioner of Social Security
3 may require a report at any time from any person
4 receiving payments on behalf of a qualified indi-
5 vidual, if the Commissioner of Social Security has
6 reason to believe that the person receiving the pay-
7 ments is misusing the payments.

8 “(3) MAINTAINING LISTS OF PAYEES.—The
9 Commissioner of Social Security shall maintain lists
10 which shall be updated periodically of—

11 “(A) the name, address, and (if issued) the
12 social security account number or employer
13 identification number of each representative
14 payee who is receiving benefit payments pursu-
15 ant to this section, section 205(j), or section
16 1631(a)(2); and

17 “(B) the name, address, and social security
18 account number of each individual for whom
19 each representative payee is reported to be pro-
20 viding services as representative payee pursuant
21 to this section, section 205(j), or section
22 1631(a)(2).

23 “(4) MAINTAINING LISTS OF AGENCIES.—The
24 Commissioner of Social Security shall maintain lists,
25 which shall be updated periodically, of public agen-

1 cies and community-based nonprofit social service
2 agencies which are qualified to serve as representa-
3 tive payees pursuant to this section and which are
4 located in the jurisdiction in which any qualified in-
5 dividual resides.

6 “(i) RESTITUTION.—In any case where the negligent
7 failure of the Commissioner of Social Security to inves-
8 tigate or monitor a representative payee results in misuse
9 of benefits by the representative payee, the Commissioner
10 of Social Security shall make payment to the qualified in-
11 dividual or the individual’s alternative representative
12 payee of an amount equal to the misused benefits. The
13 Commissioner of Social Security shall make a good faith
14 effort to obtain restitution from the terminated represent-
15 ative payee.

16 **“SEC. 808. OVERPAYMENTS AND UNDERPAYMENTS.**

17 “(a) IN GENERAL.—Whenever the Commissioner of
18 Social Security finds that more or less than the correct
19 amount of payment has been made to any person under
20 this title, proper adjustment or recovery shall be made,
21 as follows:

22 “(1) With respect to payment to a person of
23 more than the correct amount, the Commissioner of
24 Social Security shall decrease any payment—

1 “(A) under this title to which the overpaid
2 person (if a qualified individual) is entitled, or
3 shall require the overpaid person or his or her
4 estate to refund the amount in excess of the
5 correct amount, or, if recovery is not obtained
6 under these 2 methods, shall seek or pursue re-
7 covery by means of reduction in tax refunds
8 based on notice to the Secretary of the Treas-
9 ury, as authorized under section 3720A of title
10 31, United States Code; or

11 “(B) under title II to recover the amount
12 in excess of the correct amount, if the person
13 is not currently eligible for payment under this
14 title.

15 “(2) With respect to payment of less than the
16 correct amount to a qualified individual who, at the
17 time the Commissioner of Social Security is pre-
18 pared to take action with respect to the
19 underpayment—

20 “(A) is living, the Commissioner of Social
21 Security shall make payment to the qualified in-
22 dividual (or the qualified individual’s represent-
23 ative payee designated under section 807) of
24 the balance of the amount due the underpaid
25 qualified individual; or

1 “(B) is deceased, the balance of the
2 amount due shall revert to the general fund of
3 the Treasury.

4 “(b) NO EFFECT ON TITLE VIII ELIGIBILITY OR
5 BENEFIT AMOUNT.—In any case in which the Commis-
6 sioner of Social Security takes action in accordance with
7 subsection (a)(1)(B) to recover an amount incorrectly paid
8 to an individual, that individual shall not, as a result of
9 such action—

10 “(1) become qualified for benefits under this
11 title; or

12 “(2) if such individual is otherwise so qualified,
13 become qualified for increased benefits under this
14 title.

15 “(c) WAIVER OF RECOVERY OF OVERPAYMENT.—In
16 any case in which more than the correct amount of pay-
17 ment has been made, there shall be no adjustment of pay-
18 ments to, or recovery by the United States from, any per-
19 son who is without fault if the Commissioner of Social Se-
20 curity determines that the adjustment or recovery would
21 defeat the purpose of this title or would be against equity
22 and good conscience.

23 “(d) LIMITED IMMUNITY FOR DISBURSING OFFI-
24 CERS.—A disbursing officer may not be held liable for any
25 amount paid by the officer if the adjustment or recovery

1 of the amount is waived under subsection (b), or adjust-
2 ment under subsection (a) is not completed before the
3 death of the qualified individual against whose benefits de-
4 ductions are authorized.

5 “(e) AUTHORIZED COLLECTION PRACTICES.—

6 “(1) IN GENERAL.—With respect to any delin-
7 quent amount, the Commissioner of Social Security
8 may use the collection practices described in sections
9 3711(e), 3716, and 3718 of title 31, United States
10 Code, as in effect on October 1, 1994.

11 “(2) DEFINITION.—For purposes of paragraph
12 (1), the term ‘delinquent amount’ means an
13 amount—

14 “(A) in excess of the correct amount of the
15 payment under this title; and

16 “(B) determined by the Commissioner of
17 Social Security to be otherwise unrecoverable
18 under this section from a person who is not a
19 qualified individual under this title.

20 **“SEC. 809. HEARINGS AND REVIEW.**

21 “(a) HEARINGS.—

22 “(1) IN GENERAL.—The Commissioner of So-
23 cial Security shall make findings of fact and deci-
24 sions as to the rights of any individual applying for
25 payment under this title. The Commissioner of So-

1 cial Security shall provide reasonable notice and op-
2 portunity for a hearing to any individual who is or
3 claims to be a qualified individual and is in disagree-
4 ment with any determination under this title with
5 respect to entitlement to, or the amount of, benefits
6 under this title, if the individual requests a hearing
7 on the matter in disagreement within 60 days after
8 notice of the determination is received, and, if a
9 hearing is held, shall, on the basis of evidence ad-
10 duced at the hearing affirm, modify, or reverse the
11 Commissioner of Social Security's findings of fact
12 and the decision. The Commissioner of Social Secu-
13 rity may, on the Commissioner of Social Security's
14 own motion, hold such hearings and conduct such
15 investigations and other proceedings as the Commis-
16 sioner of Social Security deems necessary or proper
17 for the administration of this title. In the course of
18 any hearing, investigation, or other proceeding, the
19 Commissioner may administer oaths and affirma-
20 tions, examine witnesses, and receive evidence. Evi-
21 dence may be received at any hearing before the
22 Commissioner of Social Security even though inad-
23 missible under the rules of evidence applicable to
24 court procedure. The Commissioner of Social Secu-
25 rity shall specifically take into account any physical,

1 mental, educational, or linguistic limitation of the in-
2 dividual (including any lack of facility with the
3 English language) in determining, with respect to
4 the entitlement of the individual for benefits under
5 this title, whether the individual acted in good faith
6 or was at fault, and in determining fraud, deception,
7 or intent.

8 “(2) EFFECT OF FAILURE TO TIMELY REQUEST
9 REVIEW.—A failure to timely request review of an
10 initial adverse determination with respect to an ap-
11 plication for any payment under this title or an ad-
12 verse determination on reconsideration of such an
13 initial determination shall not serve as a basis for
14 denial of a subsequent application for any payment
15 under this title if the applicant demonstrates that
16 the applicant failed to so request such a review act-
17 ing in good faith reliance upon incorrect, incomplete,
18 or misleading information, relating to the con-
19 sequences of reapplying for payments in lieu of seek-
20 ing review of an adverse determination, provided by
21 any officer or employee of the Social Security Ad-
22 ministration.

23 “(3) NOTICE REQUIREMENTS.—In any notice of
24 an adverse determination with respect to which a re-
25 view may be requested under paragraph (1), the

1 Commissioner of Social Security shall describe in
2 clear and specific language the effect on possible en-
3 titlement to benefits under this title of choosing to
4 reapply in lieu of requesting review of the deter-
5 mination.

6 “(b) JUDICIAL REVIEW.—The final determination of
7 the Commissioner of Social Security after a hearing under
8 subsection (a)(1) shall be subject to judicial review as pro-
9 vided in section 205(g) to the same extent as the Commis-
10 sioner of Social Security’s final determinations under sec-
11 tion 205.

12 **“SEC. 810. OTHER ADMINISTRATIVE PROVISIONS.**

13 “(a) REGULATIONS AND ADMINISTRATIVE ARRANGE-
14 MENTS.—The Commissioner of Social Security may pre-
15 scribe such regulations, and make such administrative and
16 other arrangements, as may be necessary or appropriate
17 to carry out this title.

18 “(b) PAYMENT OF BENEFITS.—Benefits under this
19 title shall be paid at such time or times and in such install-
20 ments as the Commissioner of Social Security determines
21 are in the interests of economy and efficiency.

22 “(c) ENTITLEMENT REDETERMINATIONS.—An indi-
23 vidual’s entitlement to benefits under this title, and the
24 amount of the benefits, may be redetermined at such time

1 or times as the Commissioner of Social Security deter-
2 mines to be appropriate.

3 “(d) SUSPENSION AND TERMINATION OF BENE-
4 FITS.—Regulations prescribed by the Commissioner of So-
5 cial Security under subsection (a) may provide for the sus-
6 pension and termination of entitlement to benefits under
7 this title as the Commissioner determines is appropriate.

8 **“SEC. 811. PENALTIES FOR FRAUD.**

9 “(a) IN GENERAL.—Whoever—

10 “(1) knowingly and willfully makes or causes to
11 be made any false statement or representation of a
12 material fact in an application for benefits under
13 this title;

14 “(2) at any time knowingly and willfully makes
15 or causes to be made any false statement or rep-
16 resentation of a material fact for use in determining
17 any right to the benefits;

18 “(3) having knowledge of the occurrence of any
19 event affecting—

20 “(A) his or her initial or continued right to
21 the benefits; or

22 “(B) the initial or continued right to the
23 benefits of any other individual in whose behalf
24 he or she has applied for or is receiving the
25 benefit,

1 conceals or fails to disclose the event with an intent
2 fraudulently to secure the benefit either in a greater
3 amount or quantity than is due or when no such
4 benefit is authorized; or

5 “(4) having made application to receive any
6 such benefit for the use and benefit of another and
7 having received it, knowingly and willfully converts
8 the benefit or any part thereof to a use other than
9 for the use and benefit of the other individual,
10 shall be fined under title 18, United States Code, impris-
11 oned not more than 5 years, or both.

12 “(b) RESTITUTION BY REPRESENTATIVE PAYEE.—If
13 a person or organization violates subsection (a) in the per-
14 son’s or organization’s role as, or in applying to become,
15 a representative payee under section 807 on behalf of a
16 qualified individual, and the violation includes a willful
17 misuse of funds by the person or entity, the court may
18 also require that full or partial restitution of funds be
19 made to the qualified individual.

20 **“SEC. 812. DEFINITIONS.**

21 “In this title:

22 “(1) WORLD WAR II VETERAN.—The term
23 ‘World War II veteran’ means a person who—

24 “(A) served during World War II—

1 “(i) in the active military, naval, or
2 air service of the United States during
3 World War II; or

4 “(ii) in the organized military forces
5 of the Government of the Commonwealth
6 of the Philippines, while the forces were in
7 the service of the Armed Forces of the
8 United States pursuant to the military
9 order of the President dated July 26,
10 1941, including among the military forces
11 organized guerrilla forces under com-
12 manders appointed, designated, or subse-
13 quently recognized by the Commander in
14 Chief, Southwest Pacific Area, or other
15 competent authority in the Army of the
16 United States, in any case in which the
17 service was rendered before December 31,
18 1946; and

19 “(B) was discharged or released therefrom
20 under conditions other than dishonorable—

21 “(i) after service of 90 days or more;
22 or

23 “(ii) because of a disability or injury
24 incurred or aggravated in the line of active
25 duty.

1 “(2) WORLD WAR II.—The term ‘World War II’
2 means the period beginning on September 16, 1940,
3 and ending on July 24, 1947.

4 “(3) SUPPLEMENTAL SECURITY INCOME BEN-
5 EFIT UNDER TITLE XVI.—The term ‘supplemental
6 security income benefit under title XVI’, except as
7 otherwise provided, includes State supplementary
8 payments which are paid by the Commissioner of
9 Social Security pursuant to an agreement under sec-
10 tion 1616(a) of this Act or section 212(b) of Public
11 Law 93–66.

12 “(4) FEDERAL BENEFIT RATE UNDER TITLE
13 XVI.—The term ‘Federal benefit rate under title
14 XVI’ means, with respect to any month, the amount
15 of the supplemental security income cash benefit
16 (not including any State supplementary payment
17 which is paid by the Commissioner of Social Security
18 pursuant to an agreement under section 1616(a) of
19 this Act or section 212(b) of Public Law 93–66)
20 payable under title XVI for the month to an eligible
21 individual with no income.

22 “(5) UNITED STATES.—The term ‘United
23 States’ means, notwithstanding section 1101(a)(1),
24 only the 50 States, the District of Columbia, and the
25 Commonwealth of the Northern Mariana Islands.

1 “(6) BENEFIT INCOME.—The term ‘benefit in-
2 come’ means any recurring payment received by a
3 qualified individual as an annuity, pension, retire-
4 ment, or disability benefit (including any veterans’
5 compensation or pension, workmen’s compensation
6 payment, old-age, survivors, or disability insurance
7 benefit, railroad retirement annuity or pension, and
8 unemployment insurance benefit), but only if a simi-
9 lar payment was received by the individual from the
10 same (or a related) source during the 12-month pe-
11 riod preceding the month in which the individual
12 files an application for benefits under this title.

13 **“SEC. 813. APPROPRIATIONS.**

14 “There are hereby appropriated for fiscal year 2000
15 and subsequent fiscal years, out of any funds in the Treas-
16 ury not otherwise appropriated, such sums as may be nec-
17 essary to carry out this title.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) SOCIAL SECURITY TRUST FUNDS LAE AC-
20 COUNT.—Section 201(g) of such Act (42 U.S.C.
21 401(g)) is amended—

22 (A) in the fourth sentence of paragraph
23 (1)(A), by inserting after “this title,” the fol-
24 lowing: “title VIII,”;

1 (B) in paragraph (1)(B)(i)(I), by inserting
 2 after “this title,” the following: “title VIII,”;
 3 and

4 (C) in paragraph (1)(C)(i), by inserting
 5 after “this title,” the following: “title VIII,”.

6 (2) REPRESENTATIVE PAYEE PROVISIONS OF
 7 TITLE II.—Section 205(j) of such Act (42 U.S.C.
 8 405(j)) is amended—

9 (A) in paragraph (1)(A), by inserting “807
 10 or” before “1631(a)(2)”;

11 (B) in paragraph (2)(B)(i)(I), by inserting
 12 “, title VIII,” before “or title XVI”;

13 (C) in paragraph (2)(B)(i)(III), by insert-
 14 ing “, 811,” before “or 1632”;

15 (D) in paragraph (2)(B)(i)(IV)—

16 (i) by inserting “, the designation of
 17 such person as a representative payee has
 18 been revoked pursuant to section 807(a),”
 19 before “or payment of benefits”; and

20 (ii) by inserting “, title VIII,” before
 21 “or title XVI”;

22 (E) in paragraph (2)(B)(ii)(I)—

23 (i) by inserting “whose designation as
 24 a representative payee has been revoked

1 pursuant to section 807(a),” before “or
2 with respect to whom”; and

3 (ii) by inserting “, title VIII,” before
4 “or title XVI”;

5 (F) in paragraph (2)(B)(ii)(II), by insert-
6 ing “, 811,” before “or 1632”;

7 (G) in paragraph (2)(C)(i)(II), by inserting
8 “, the designation of such person as a rep-
9 resentative payee has been revoked pursuant to
10 section 807(a),” before “or payment of bene-
11 fits”;

12 (H) in each of clauses (i) and (ii) of para-
13 graph (3)(E), by inserting “, section 807,” be-
14 fore “or section 1631(a)(2)”;

15 (I) in paragraph (3)(F), by inserting “807
16 or” before “1631(a)(2)”;

17 (J) in paragraph (4)(B)(i), by inserting
18 “807 or” before “1631(a)(2)”.

19 (3) WITHHOLDING FOR CHILD SUPPORT AND
20 ALIMONY OBLIGATIONS.—Section 459(h)(1)(A) of
21 such Act (42 U.S.C. 659(h)(1)(A)) is amended—

22 (A) at the end of clause (iii), by striking
23 “and”;

24 (B) at the end of clause (iv), by striking
25 “but” and inserting “and”; and

1 (C) by adding at the end a new clause as
2 follows:

3 “(v) special benefits for certain World
4 War II veterans payable under title VIII;
5 but”.

6 (4) SOCIAL SECURITY ADVISORY BOARD.—Sec-
7 tion 703(b) of such Act (42 U.S.C. 903(b)) is
8 amended by striking “title II” and inserting “title
9 II, the program of special benefits for certain World
10 War II veterans under title VIII,”.

11 (5) DELIVERY OF CHECKS.—Section 708 of
12 such Act (42 U.S.C. 908) is amended—

13 (A) in subsection (a), by striking “title II”
14 and inserting “title II, title VIII,”; and

15 (B) in subsection (b), by striking “title II”
16 and inserting “title II, title VIII,”.

17 (6) CIVIL MONETARY PENALTIES.—Section
18 1129 of such Act (42 U.S.C. 1320a–8) is
19 amended—

20 (A) in the title, by striking “II” and in-
21 serting “II, VIII”;

22 (B) in subsection (a)(1)—

23 (i) by striking “or” at the end of sub-
24 paragraph (A);

- 1 (ii) by redesignating subparagraph
2 (B) as subparagraph (C); and
3 (iii) by inserting after subparagraph
4 (A) the following new subparagraph:
5 “(B) benefits or payments under title VIII,
6 or”;
7 (C) in subsection (a)(2), by inserting “or
8 title VIII,” after “title II”;
9 (D) in subsection (e)(1)(C)—
10 (i) by striking “or” at the end of
11 clause (i);
12 (ii) by redesignating clause (ii) as
13 clause (iii); and
14 (iii) by inserting after clause (i) the
15 following new clause:
16 “(ii) by decrease of any payment
17 under title VIII to which the person is en-
18 titled, or”;
19 (E) in subsection (e)(2)(B), by striking
20 “title XVI” and inserting “title VIII or XVI”;
21 and
22 (F) in subsection (l), by striking “title
23 XVI” and inserting “title VIII or XVI”.

1 (7) RECOVERY OF SSI OVERPAYMENTS.—Sec-
2 tion 1147 of such Act (42 U.S.C. 1320b–17) is
3 amended—

4 (A) in subsection (a)(1)—

5 (i) by inserting “or VIII” after “title
6 II” the first place it appears; and

7 (ii) by striking “title II” the second
8 place it appears and inserting “such title”;
9 and

10 (B) in the heading, by striking “SOCIAL
11 SECURITY” and inserting “OTHER”.

12 (8) RECOVERY OF SOCIAL SECURITY OVERPAY-
13 MENTS.—Part A of title XI of the Social Security
14 Act is amended by inserting after section 1147 (42
15 U.S.C. 1320b–17) the following new section:

16 “RECOVERY OF SOCIAL SECURITY BENEFIT
17 OVERPAYMENTS FROM TITLE VIII BENEFITS

18 “SEC. 1147A. Whenever the Commissioner of Social
19 Security determines that more than the correct amount
20 of any payment has been made under title II to an indi-
21 vidual who is not currently receiving benefits under that
22 title but who is receiving benefits under title VIII, the
23 Commissioner may recover the amount incorrectly paid
24 under title II by decreasing any amount which is payable
25 to the individual under title VIII.”.

1 (9) REPRESENTATIVE PAYEE PROVISIONS OF
2 TITLE XVI.—Section 1631(a)(2) of such Act (42
3 U.S.C. 1383(a)(2)) is amended—

4 (A) in subparagraph (A)(iii), by inserting
5 “or 807” after “205(j)(1)”;

6 (B) in subparagraph (B)(ii)(I), by insert-
7 ing “, title VIII,” before “or this title”;

8 (C) in subparagraph (B)(ii)(III), by insert-
9 ing “, 811,” before “or 1632”;

10 (D) in subparagraph (B)(ii)(IV)—

11 (i) by inserting “whether the designa-
12 tion of such person as a representative
13 payee has been revoked pursuant to section
14 807(a),” before “and whether certifi-
15 cation”; and

16 (ii) by inserting “, title VIII,” before
17 “or this title”;

18 (E) in subparagraph (B)(iii)(II), by insert-
19 ing “the designation of such person as a rep-
20 resentative payee has been revoked pursuant to
21 section 807(a),” before “or certification”; and

22 (F) in subparagraph (D)(ii)(II)(aa), by in-
23 serting “or 807” after “205(j)(4)”.

1 (10) ADMINISTRATIVE OFFSET.—Section
 2 3716(c)(3)(C) of title 31, United States Code, is
 3 amended—

4 (A) by striking “sections 205(b)(1)” and
 5 inserting “sections 205(b)(1), 809(a)(1),”; and

6 (B) by striking “either title II” and insert-
 7 ing “title II, VIII,”.

8 **Subtitle C—Study**

9 **SEC. 261. STUDY OF DENIAL OF SSI BENEFITS FOR FAMILY** 10 **FARMERS.**

11 (a) IN GENERAL.—The Commissioner of Social Secu-
 12 rity shall conduct a study of the reasons why family farm-
 13 ers with resources of less than \$100,000 are denied sup-
 14 plemental security income benefits under title XVI of the
 15 Social Security Act, including whether the deeming proc-
 16 ess unduly burdens and discriminates against family farm-
 17 ers who do not institutionalize a disabled dependent, and
 18 shall determine the number of such farmers who have been
 19 denied such benefits during each of the preceding 10
 20 years.

21 (b) REPORT TO THE CONGRESS.—Within 1 year after
 22 the date of the enactment of this Act, the Commissioner
 23 of Social Security shall prepare and submit to the Com-
 24 mittee on Ways and Means of the House of Representa-
 25 tives and the Committee on Finance of the Senate a report

1 that contains the results of the study, and the determina-
 2 tion, required by subsection (a).

3 **TITLE III—CHILD SUPPORT**

4 **SEC. 301. NARROWING OF HOLD-HARMLESS PROVISION** 5 **FOR STATE SHARE OF DISTRIBUTION OF COL-** 6 **LECTED CHILD SUPPORT.**

7 (a) IN GENERAL.—Section 457(d) of the Social Secu-
 8 rity Act (42 U.S.C. 657(d)) is amended to read as follows:

9 “(d) HOLD HARMLESS PROVISION.—If—

10 “(1) the State share of amounts collected in the
 11 fiscal year which could be retained to reimburse the
 12 State for amounts paid to families as assistance by
 13 the State is less than the State share of such
 14 amounts collected in fiscal year 1995 (determined in
 15 accordance with section 457 as in effect on August
 16 21, 1996); and

17 “(2)(A) the State has distributed to families
 18 that include an adult receiving assistance under the
 19 program under part A at least 80 percent of the cur-
 20 rent support payments collected during the pre-
 21 ceding fiscal year on behalf of such families, and the
 22 amounts distributed were disregarded in determining
 23 the amount or type of assistance provided under the
 24 program under part A; or

1 “(B) the State has distributed to families that
2 formerly received assistance under the program
3 under part A the State share of the amounts col-
4 lected pursuant to section 464 that could have been
5 retained as reimbursement for assistance paid to
6 such families,
7 then the State share otherwise determined for the fiscal
8 year shall be increased by an amount equal to $\frac{1}{2}$ of the
9 amount (if any) by which the State share for fiscal year
10 1995 exceeds the State share for the fiscal year (deter-
11 mined without regard to this subsection).”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 subsection (a) shall be effective with respect to calendar
14 quarters occurring during the period that begins on Octo-
15 ber 1, 1998, and ends on September 30, 2001.

16 (c) REPEAL.—Effective October 1, 2001, section 457
17 of the Social Security Act (42 U.S.C. 657) is amended—

18 (1) in subsection (a), by striking “subsections
19 (e) and (f)” and inserting “subsections (d) and (e)”;

20 (2) by striking subsection (d);

21 (3) in subsection (e), by striking the second
22 sentence; and

23 (4) by redesignating subsections (e) and (f) as
24 subsections (d) and (e), respectively.

TITLE IV—TECHNICAL CORRECTIONS

SEC. 401. TECHNICAL CORRECTIONS RELATING TO AMEND- MENTS MADE BY THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.

(a) Section 402(a)(1)(B)(iv) of the Social Security Act (42 U.S.C. 602(a)(1)(B)(iv)) is amended by striking “Act” and inserting “section”.

(b) Section 409(a)(7)(B)(i)(II) of the Social Security Act (42 U.S.C. 609(a)(7)(B)(i)(II)) is amended by striking “part” and inserting “section”.

(c) Section 413(g)(1) of the Social Security Act (42 U.S.C. 613(g)(1)) is amended by striking “Act” and inserting “section”.

(d) Section 416 of the Social Security Act (42 U.S.C. 616) is amended by striking “Opportunity Act” and inserting “Opportunity Reconciliation Act” each place such term appears.

(e) Section 431(a)(6) of the Social Security Act (42 U.S.C. 629a(a)(6))) is amended—

(1) by inserting “, as in effect before August 22, 1986” after “482(i)(5)”; and

(2) by inserting “, as so in effect” after “482(i)(7)(A)”.

1 (f) Sections 452(a)(7) and 466(c)(2)(A)(i) of the So-
2 cial Security Act (42 U.S.C. 652(a)(7) and
3 666(c)(2)(A)(i)) are each amended by striking “Social Se-
4 curity” and inserting “social security”.

5 (g) Section 454 of the Social Security Act (42 U.S.C.
6 654) is amended—

7 (1) by striking “, or” at the end of each of
8 paragraphs (6)(E)(i) and (19)(B)(i) and inserting “;
9 or”;

10 (2) in paragraph (9), by striking the comma at
11 the end of each of subparagraphs (A), (B), and (C)
12 and inserting a semicolon; and

13 (3) by striking “, and” at the end of each of
14 paragraphs (19)(A) and (24)(A) and inserting “;
15 and”.

16 (h) Section 454(24)(B) of the Social Security Act (42
17 U.S.C. 654(24)(B)) is amended by striking “Opportunity
18 Act” and inserting “Opportunity Reconciliation Act”.

19 (i) Section 344(b)(1)(A) of the Personal Responsi-
20 bility and Work Opportunity Reconciliation Act of 1996
21 (Public Law 104–193; 110 Stat. 2236) is amended to read
22 as follows:

23 “(A) in paragraph (1), by striking sub-
24 paragraph (B) and inserting the following:

1 ‘(B) equal to the percent specified in para-
2 graph (3) of the sums expended during such
3 quarter that are attributable to the planning,
4 design, development, installation or enhance-
5 ment of an automatic data processing and in-
6 formation retrieval system (including in such
7 sums the full cost of the hardware components
8 of such system); and’; and”.

9 (j) Section 457(a)(2)(B)(i)(I) of the Social Security
10 Act (42 U.S.C. 657(a)(2)(B)(i)(I)) is amended by striking
11 “Act Reconciliation” and inserting “Reconciliation Act”.

12 (k) Section 457 of the Social Security Act (42 U.S.C.
13 657) is amended by striking “Opportunity Act” each place
14 it appears and inserting “Opportunity Reconciliation
15 Act”.

16 (l) Effective on the date of the enactment of this Act,
17 section 404(e) of the Social Security Act (42 U.S.C.
18 604(e)) is amended by inserting “or tribe” after “State”
19 the first and second places it appears, and by inserting
20 “or tribal” after “State” the third place it appears.

21 (m) Section 466(a)(7)(A) of the Social Security Act
22 (42 U.S.C. 666(a)(7)(A)) is amended by striking
23 “1681a(f))” and inserting “1681a(f)))”.

1 (n) Section 466(b)(6)(A) of the Social Security Act
2 (42 U.S.C. 666(b)(6)(A)) is amended by striking “state”
3 and inserting “State”.

4 (o) Section 471(a)(8) of the Social Security Act (42
5 U.S.C. 671(a)(8)) is amended by striking “(including ac-
6 tivities under part F)”.

7 (p) Section 1137(a)(3) of the Social Security Act (42
8 U.S.C. 1320b–7(a)(3)) is amended by striking
9 “453A(a)(2)(B)(iii))” and inserting
10 “453A(a)(2)(B)(ii))”.

11 (q) Except as provided in subsection (l), the amend-
12 ments made by this section shall take effect as if included
13 in the enactment of the Personal Responsibility and Work
14 Opportunity Reconciliation Act of 1996 (Public Law 104–
15 193; 110 Stat. 2105).

○